

# The NATIONAL UNDERWRITER

Published weekly at 175 W. Jackson Blvd., Chicago 4, Illinois. Second class postage paid at Chicago.

30¢ a copy

\$7.50 a Year

August 4, 1961

65th Year, No. 31

The National Weekly Newspaper of Fire and Casualty Insurance

## London Lloyd's Chairman Given Red Carpet Welcome At Chicago

The established position that has been achieved by London Lloyd's as a member of the Illinois insurance fraternity was displayed in dramatic form last week with a visit to Chicago of Lloyd's chairman, G. Ewart Thomson, to publicize Lloyd's exhibit in the International Trade Fair and to celebrate 50 years since the Illinois legislature adopted an enabling act admitting Lloyd's to the state. Another anniversary given appropriate recognition was the 25th year that John S. Lord has served as Illinois attorney-in-fact of London Lloyd's, this falling within a month of his 80th birthday. There were, of course, appropriate social events involving Lloyd's brokers and correspondents and business leaders in Chicago.

### First Chicago Visit

Mr. Thomson's visit to Chicago was the first ever made by a chairman of Lloyd's while in office. This was marked with a series of receptions, dinners and luncheons that were in every way appropriate to the special nature of the event.

The London Lloyd's exhibit at Chicago's International Trade Fair is a replica of the "old and new" at Lloyd's showing the original coffee house and the current procedures for placing insurance with the underwriters in their new underwriting room—the largest single business room in Europe, housing 3,000 workers at its busy period. The exhibit has achieved top honors at the fair.

To commemorate the 25th anniversary of the establishment of the office of the Illinois attorney-in-fact, Mr. Thomson gave a private party at the Tavern Club for the Chicago law firm of Lord, Bissell & Brook. Later in the week a formal reception and

dinner was given for the London visitors at the Ambassador West Hotel by the directors of Assn. of Lloyd's Brokers of Illinois. This was to celebrate the 50th anniversary of the first Lloyd's act under which the underwriters were admitted to Illinois. Frazier S. Wilson, Stewart, Smith (Ill.) was chairman of this affair. His committee members were A. T. Seaholm, Bowes & Co.; Norman Freeman, Rollins Burdick Hunter Co.; Leslie H. Cook, Leslie H. Cook Inc.; and Henry Gund, A. F. Shaw & Co., chairman of the association.

The guests of honor from London were Mr. Thomson; Mr. and Mrs. P. W. Milligan, chairman Illinois and information subcommittees; Mr. and Mrs. P. F. McDougall, chairman Lloyd's Underwriters Fire & Non-Marine Assn.; Mr. and Mrs. E. G. Ingram, chairman Lloyd's Underwriters Aviation Assn.; Mr. and Mrs. C. N. Close-Smith, chairman Illinois rating sectional committee; Mr. and Mrs. E. S. Shaw, chairman Lloyd's Insurance

(CONTINUED ON PAGE 23)

## Higgins To Chicago, C.&F. Makes Changes In Indiana, Michigan

Edward D. Higgins has been transferred by Crum & Forster from Indiana, where he has been field supervisor, to Chicago, where he takes up new duties as assistant manager of the Cook County department working with Manager A. J. Smith.

John F. Kennedy, special agent in Indiana, has been promoted to state agent.

In Michigan, Lyell Ludington has been named state agent with headquarters at Kalamazoo. He has been traveling Iowa as special agent.

## Amer. Fore Loyalty Cuts Underwriting Loss In First Half

America Fore Loyalty group had an underwriting loss of \$17,379,358 for the first six months of 1961 compared with a loss of \$19,407,848 for the first half of 1960. Premiums earned were down to \$260,658,841 from \$261,295,774.

J. Victor Herd, chairman, reported that reliable comparisons with previous years' underwriting operations cannot be made until the first quarter of 1962 because of the change last January in the method of recording installment business. At June 30, the group had term business in excess of \$37 million. This was not recorded and therefore not reflected in premiums written in the first half of 1961.

Policyholders surplus at June 30, 1961, was \$890 million, up by \$124 million over the first half of 1960 and up by \$90 million since the end of 1960. Loss ratio to earned premiums was 68 and expense ratio to earned premiums was 38.7 compared with 65.1 and 42.3, respectively, for the first half of 1960.

Operating gain for the first six months of 1961 was \$4,727,000. The second quarter showed a gain of \$7,772,000 against a loss of \$3,045,000 in the first quarter. Net investment income at the 1961 half was up by \$451,000 to \$22,107,000. Net income, including that from investment transactions, was \$10,441,000 after taxes, an increase of \$2,065,000 over the first half of 1960.

Assets of the group were \$1,691,500,000, an increase of \$100 million over the first 1960 half and of \$47 million over the end of 1960. In this comparison, securities were on a market value basis.

Mr. Herd noted that in June the group had its first underwriting profit since November, 1959. He indicated that 1961 third quarter prospects are promising.

## Asks Tax Incentive For Buying Health Cover On The Aged

Superior To Legislation Adding Coverage To OASI Says ALC-LIA Spokesman

WASHINGTON—A plan of federal income tax incentives to help stimulate the spread of voluntary health insurance coverage among the aged was advocated Monday by the chairman of the joint committee on social security and health care of American Life Convention and Life Insurance Assn. of America.

M. Rey Dodson, president of Ohio National Life, said the position of the two organizations he represents is that no aged health care legislation is needed but that the tax incentive method is preferable to the broader social security approach.

Citing the advantages of the tax incentive method over any type of government health care program, Mr. Dodson said the most important point would be the fact that it would not replace the existing voluntary coverage of some 9 million aged persons nor would it foreclose further extension of this voluntary coverage.

As to who would receive this tax incentive Mr. Dodson said it would seem

(CONTINUED ON PAGE 19)

## Strain Considering Offer, But Not From CPCU

The item in last week's issue stating that Robert Strain of the Texas board of insurance was considering an offer to join the headquarters staff of National Society of CPCU was in error. Mr. Strain is considering an offer from another insurance association.



Photographed at the parties celebrating the visit of London Lloyd's Chairman G. Ewart Thomson to Chicago in connection with Lloyd's exhibit at the International Trade Fair: From left, James E. Rutherford, vice-president of the Mid-America home office of Prudential and chairman of Chicago Assn. of Commerce & Indus-

try; Edwin H. Forkel, president Continental Casualty; John S. Lord, Illinois attorney-in-fact of Lloyd's; G. Ewart Thomson, chairman of London Lloyd's, and Herbert C. Brook of Lord, Bissell & Brook, Chicago, secretary of Illinois Surplus Line Brokers Assn. The picture was taken at the luncheon at which Mr. Thomson was host.

Center: Mr. Thomson presents a George III silver writing stand to Mr. Lord at a dinner given by Assn. of Lloyd's Brokers of Illinois. Mr. Lord, who recently celebrated his 80th birthday, is also celebrating the 25th year of his appointment as Illinois attorney-in-fact of Lloyd's of London.

At the right is Herbert Brook; John

Lord; Henry Gund of A. F. Shaw & Co., chairman Assn. of Lloyd's Brokers; Frazier S. Wilson of Stewart, Smith (Ill.) vice-chairman of Assn. of Lloyd's Brokers and chairman of the dinner given for the Lloyd's visitors at the Ambassador West Hotel; Mr. Thomson, and Andrew Gilchrist, British consul general at Chicago.

# How One Insurer Can Make Profit And Still Meet Its Competition

THE NATIONAL UNDERWRITER asked several company executives to comment on the current situation in the fire and casualty business. Here is the reply of one official:

Our company is not suffering underwriting trouble. Our results are in line with the expected, both losses and expenses. On more than \$22 million of premiums earned through the first five months the incurred loss ratio is 47.5. Claim expense is running 11% and acquisition and underwriting 22% for a total operating ratio of 80.5. Last year with more than \$54 mil-

lion earned, the loss ratio was 49.5, claim adjustment 11%, underwriting expenses 21% for a total operating ratio of 81.5.

Our idea for keeping the company in a favorable position is to continue present management policies. There's really nothing particularly unusual about them. We endeavor to recognize well known principles of insurance and to operate with as much business efficiency as we can. Underwriting selection is applied but not to any uncommon degree. Our reason for being in the business of insurance is to serve the motoring public of our region. We undertake to provide insurance to any normal automobile insurance risk, a small premium unit. Our book is a cross section of the business.

## Processing Costs

With a simple organization, our processing costs are moderate. Again, in consequence of a large volume confined to 13 counties, we can operate a claims staff of size and ability to service claims quickly and effectively. Paradoxically, we have a liberal claims policy, yet out average claim cost is lower than that of many other companies. A program of prompt and fair claims settlements seems to provoke a reasonable attitude in claimants, garages, doctors, and lawyers with whom we are dealing.

There are exceptions, of course, and we get some built-up claims and exor-

bitant demands. However, there is a discernible value to our insurance underwriting result from the good will which we enjoy in the community.

It is appropriate, too, that I express recognition of the technical proficiency of our underwriters and claims representatives. Our staff is an excellent one, and I believe we are better manned than most companies. This is one of the insurance principles to which I referred as guiding our operations. That is the principle that differences in insurance companies often reflect the differences of the people staffing the organization. We do a lot of training and a lot of supervising and we expect to do more in the future.

Competition, or perhaps more properly the reaction to competition, underlies much of the trouble the industry is having. While competition is usually regarded as a desirable economic force, I am not sure that it is necessarily so, at least in some of its forms, in insurance. Competition which transgresses basic insurance principles, sometimes wilfully, sometimes out of ignorance, is harmful to the business generally and very often harmful to the public interest. That statement may seem odd coming from me because I'm not known to react kindly to regulation either by governmental agencies or industry associations. However, I have always tried—and I think with some success—to learn and to

(CONTINUED ON PAGE 18)

## Insurance Stock Bid Prices Given As Of July 31

Cartwright, Valleau & Co., Board of Trade Building, Chicago, submits the following tabulation of bid prices for 156 insurance issues at July 31, 1961 along with comparable quotations for June, 1961, and Dec. 31, 1960. It is emphasized that these simply indicate relative market action and are not the prices at which the public might expect to be able either to buy or sell the securities listed.

	12/30/60	6/30/61	7/31/61
Aetna Casualty .....	96	129	135
Aetna Fire .....	91 1/4	111 1/2	117 1/2
Aetna Life .....	97 1/2	119 1/4	121 1/4
Agricultural .....	31 1/4	32 3/4	33 1/2
All-Am. Life & Cas. ....	8	14 1/2	16 1/2
Am. Equitable .....	19 1/2	22 1/4	22
Am. General .....	30 1/2	61	63
Am. Home .....	41	54	54
Am. National .....	7 1/2	11 1/4	12 1/2
Am. Re-Insurance .....	41	53	56 1/2
Am. States .....	21 1/2	23 1/4	23 1/2
Bankers Natl. Life .....	22	40	46
Bankers & Shippers .....	54	57	59 1/2
Beneficial Std. Life .....	15 1/2	33 1/2	33 1/4
Boston .....	31 1/2	35 1/4	35 1/4
B.M.A. .....	31 1/2	71	79
Cal. Western States .....	44 1/2	76	83
Camden .....	32 1/2	38 1/2	38 1/2
Central Standard Life .....	16 1/2	19 1/2	22
Citizens Casualty .....	8 1/4	14	16
Citizens Life .....	10 1/4	24	30 1/2
Coastal States Life .....	16	19	19 1/2
College Life .....	52	86	89
Combined .....	37	66	74
Commonwealth Life .....	21	39	41
Conn. General Life .....	200	228	259
Continental Am. Life .....	42 1/2	53	56
Continental Assur. ....	120	162	177
Continental Casualty .....	68 1/2	106	103
Continental Ins. ....	56 1/2	58 1/2	58 1/2
Corroon & Reynolds .....	15	16 1/4	17
Criterion .....	112 1/2	205	210
Crown Life .....	72	95	94
Crum & Forster .....	2 1/4	5 1/4	4 1/4
Eastern Fire .....	28 1/4	41	53 1/2
Employers Group .....	39 1/4	49	54 1/2
Employers Reins. ....	61 1/2	62	65
Farmers Ind. Assn. ....	42	53 1/2	58
Federal .....	57 1/2	69 1/4	73 1/2
Federal Life & Cas. ....	73	79	89
Fidelity Bankers Life .....	8	10 1/2	13 1/2
F.D. ....	43 1/4	57	57 1/2
Fireman's Fund .....	53 1/4	66 1/4	65 1/2
Franklin Life .....	61 1/2	102 1/4	106
General Am. Corp. ....	157	191	191
General Reinsurance .....	121	130	145
Glens Falls .....	39 1/4	41	42 1/2
Govt. Employees .....	89	128	133
Govt. Employees Life .....	43	78 1/2	107
Great American .....	49 1/2	57 1/2	54 1/4
Great Am. Life Und. ....	770	1365	1625
Great Southern Life .....	69	90	96
Great-West Life .....	395	550	580
Gulf .....	34 1/4	38	43
Gulf Life .....	18 1/2	27	34
Hanover .....	42 1/4	43 1/2	45
Hartford Fire .....	57 1/4	67 1/4	71 1/4
Hartford Steam Boiler .....	91	112	114
Home .....	57	56 1/4	57
*Home Protective .....	55	65	65
Imperial Life .....	90 1/2	114	112 1/2
Ins. Co. North Am. ....	77	92 1/4	101 1/2
Ins. Shares Certificates .....	34 1/4	43	45 1/2
Interstate Fire & Cas. ....	14 1/2	30	28
Interstate Life & Acc. ....	8 1/4	9 1/4	10 1/4
Jefferson Natl. Life .....	17 1/2	18 1/4	21
Jefferson Standard Life .....	42	62 1/2	63 1/2
Jersey .....	34	34	36 1/2
K. C. Life .....	1340	1970	2130
Ky. Central L. & A. ....	11	12 1/2	14
Lamar Life .....	33	54	59
Liberty Life .....	15	27	28
Liberty Natl. Life .....	39	70 1/2	79 1/2
Life & Casualty .....	16 1/2	22 1/4	26 1/2
Life of Georgia .....	58	103	107
Life of Virginia .....	56 1/2	87	93
Life Ins. Investors .....	8.95	12.56	13.48
Lincoln Natl. Life .....	92	125 1/2	135
Loyal Protective .....	49	55	64
Maryland Casualty .....	36 1/2	41 1/4	41 1/4
Mass. Indemnity .....	39 1/4	49	53 1/2
Mass. Protective .....	69	112	113
Merchants Fire .....	35	42	41 1/4
Midwest. United Life .....	30	47	55
Mission .....	10 1/2	16 1/4	16 1/4
Monumental Life .....	45 1/4	58 1/2	69
Natl. Fidelity Life .....	15	20	22 1/4
Natl. Fire .....	123	136	135
Natl. Life & Acc. ....	114 1/2	179	184
Natl. Old Line .....	15 1/2	29 1/4	30 1/2
Natl. Reserve Life .....	145	165	190
Nationwide Corp. ....	27 1/4	33 1/2	35 1/4
Natl. Union .....	40 1/2	48 1/4	45 1/2
New Hampshire .....	49 1/2	57 1/2	58 1/2
North Am. Life .....	14 1/4	19	24 1/2
North Am. Life & Cas. ....	132	175	205
Northeastern .....	12 1/4	22	20
North Central Co. ....	9 1/4	15 1/2	15 1/2
North River .....	41 1/2	46 1/2	44 1/4
Northern Ins. ....	41 1/2	46	45
Northern Life .....	130	168	175
N. W. National Ins. ....	86	102	105
N. W. National Life .....	90	107	120
Occidental Life, N.C. ....	4 1/4	7 1/4	9
Ohio Casualty .....	24	29	28 1/4
Ohio State Life .....	39	51	47
Old Line Life .....	60	69	72
Old Republic Ins. ....	14 1/4	15 1/4	15 1/4
Old Republic Life .....	18 1/2	21	24 1/4

(CONTINUED ON PAGE 22)

## Ark. Bureau Cuts HO Rates 15%

LITTLE ROCK—Commissioner Combs has approved a 15% reduction in all premiums and rates for homeowners forms 1, 2, 3, 4, and 5 as filed by Arkansas Inspection & Rating Bureau for its members and subscribers.

Policies issued on or after June 15 may be endorsed to the discounted premium as of inception date, E. S. Pavy, bureau manager, stated in his announcement. Policies issued prior to June 15 may be endorsed to the discounted premiums on their next anniversary date.

The bureau filing counters a rash of 15% deviations on HO premiums which have been filed by individual companies starting early in July when the department announced it would approve all such applications for HO downward deviations conditionally until such time as a similar reduction was filed by the bureau.

In its filing letter, the bureau stipulated that "This filing is made on the assumption that if the experience in 1961 is unprofitable and when combined with the previous experience produces an indicated increase in rates, a filing for proper rate adjustment will receive favorable consideration by the insurance department."

The bureau filing automatically will end most of the HO deviations which have been approved. Whether the department will ask the withdrawal of a few HO deviations which were approved unconditionally prior to June 1, 1961, for a term of one year could not be learned.

In another filing, the Arkansas bureau reduced the minimum annual premium under the public and institutional property plan from \$1,000 to \$5,000 per account for all perils insured against. The effect of the filing is to make the PIP plan available to a number of churches and public institutions whose annual fire and EC premiums are less than \$1,000.

## Take Step Toward Vote On Compulsory In Oregon

Sen. Straub, Democrat of Eugene, has filed a preliminary initiative petition with the secretary of state as a first step toward getting a vote in the November election on the introduction of compulsory automobile insurance in Oregon. The senator sponsored a compulsory bill in the 1961 session of the legislature and charged that its defeat could be laid to the insurance lobby.

The Oregon AFL-CIO has gone on record as favoring compulsory.



Eminent insurers and producers across the nation make extensive use of Excess Underwriters to reinsure. Our specialists stand ready to provide swift quotes regardless of form required!





EXPERIENCE, STABILITY, TRADITION . . . these are the basic ingredients of Excess Underwriters, eminence in every form of excess covers and reinsurance. And, the many leading producers we serve today have found that these outstanding qualities have become a part of their own company story! It will pay you to bring your next risk to Excess.

**EXCESS UNDERWRITERS, INC.**



175 West Jackson Blvd. • Chicago • WEbster 9-5535





**Like Mr. Za, you own all renewals with MERITmatic®**

... and for practitioners of Insuremanship,\* Zurich-American's new way of selling, renewals and commission checks shower in monthly like the gentle rain from heaven. Do wonders for the Insureman's Money Tree.

MERITmatic plan is now your answer to both AUTO and HOMEOWNER† competition. Write it with a ball point and deliver on spot... Real quality protection in a top company... with local agency service.

No paperwork or overhead. Z-A handles all notices, billing, collections (and commission checks!) with electronic brain.

You sell... make money... and own *all* renewals.

Be an Insureman! First step: Ask for booklet on Insuremanship. A note does it.



ZURICH INSURANCE COMPANY  
AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY  
ZURICH LIFE INSURANCE COMPANY (affiliate)  
ZURICH AMERICAN LIFE INSURANCE COMPANY (affiliate)  
135 South LaSalle Street, Chicago 3, Illinois

OFFICES IN: New York, Boston, Providence, New Haven, Buffalo, Amsterdam, Orange, Philadelphia, Pittsburgh, Baltimore, Greensboro, Charleston, Savannah, Atlanta, Birmingham, Canton, Cleveland, Cincinnati, Detroit, Grand Rapids, Minneapolis, Milwaukee, Chicago, Jackson, Dallas, Des Moines, St. Louis, Kansas City, Denver, Seattle, Portland, Sacramento, San Francisco, Fresno, Los Angeles, Phoenix, Richmond.

†Not yet available in all states. Write for details.

©1961 Zurich-American Insurance Companies

## Report Leggett On The Way Out As Mo. Superintendent

Indications are strong that C. Lawrence Leggett will not be retained as Missouri insurance superintendent. Three men have been mentioned to replace him, with the inside track apparently belonging to Ralph Duggan, counsel of the state highway department.

Mr. Leggett, a past president of National Assn. of Insurance Commissioners, has been in office since Novem-


ber, 1949, longer than any other Missouri superintendent. His departure was predicted after the elections last November. Mr. Leggett was not a member of the team of the new governor, John Dalton. However nothing happened. In some quarters it is thought Mr. Leggett's opposition to no prior approval legislation for fire insurance brought about the final decision to let him out.


## Seventh Partner Joins Alexander, Sexton & Carr


Langham, Langston, Burnett & Dyer,

Houston, has become a partner and shareholder of Alexander, Sexton & Carr. The Langham, Langston, Burnett & Dyer agency becomes the seventh partner and Houston the tenth city to join in this nationwide "joint venture" in the insurance brokerage field. The other offices in the undertaking are: Alexander & Co., Chicago; Charles W. Sexton Co., Minneapolis, St. Paul and Portland; Francis C. Carr-Fox & Pier, New York; Alexander, Sexton & Carr of California, San Francisco and Los Angeles; Allen, Russell & Allen, Hartford, and Alester G. Furman & Co., Greenville, S. C.

## The SPECIAL APARTMENT HOUSE POLICY . . . . . Comprehensive

protection at a premium saving! Another superior insurance package meets a large market head-on with  agents equipped to take full advantage of the opportunity. Broadened property coverage, liability and rental income provisions plus the economy of insurance packaging add up to a major marketing advance.

Apartment House Test-Checks, invitations and production kit help you cultivate prospects and close sales. Contact the  field representative nearest you, or write Sales Department 110 William St., N. Y. 38, N. Y.

AND for the agent who has everything except economical, efficient financing facilities . . . The  non-signature EXTENDED Premium Payment Plan.

 **CRUM & FORSTER GROUP**  
of Insurance Companies  
SOUND, DEPENDABLE INSURANCE

UNITED STATES FIRE INSURANCE CO.  
THE NORTH RIVER INSURANCE CO.  
WESTCHESTER FIRE INSURANCE CO.  
THE WESTERN ASSURANCE CO.  
THE BRITISH AMERICA ASSURANCE CO.  
INTERNATIONAL INSURANCE CO.

110 WILLIAM STREET, NEW YORK 38.

EASTERN DEPT., NEW YORK - WESTERN DEPT., FREEPORT, ILL. - PACIFIC DEPT., SAN FRANCISCO - SOUTHERN DEPT., ATLANTA - ALLEGHENY-OWB DEPT., PITTSBURGH - VIRGINIA-CAROLINAS DEPT., DURHAM, N. C. - TEXAS DEPT., DALLAS

## General America Has Lower Gains In First Half

General America Corp., which owns General of Seattle, First National, Safeco and Lifeco, in the first six months of 1961 shows an adjusted underwriting profit of \$4,240,339, equal to \$4.07 a share. This compares with \$5.41 a share for the same period in 1960. Investment income in the first half of \$3,775,696 was equal to \$3.63 a share, up from \$3.29 the year before.

The property and casualty companies showed an over-all gain of \$7,681,173, this being \$7.38 a share against \$8.18 the year before, while Lifeco's gain was \$552,342, worth 53 cents a share against 61 cents. The net gain from operations in the first half of 1961 for General America Corp. totaled \$5,221,532, worth \$5.01 a share against \$5.29 the year before.

The stock of General America Corp. had a liquidating value at June 30, 1961, of \$90.04 a share against \$81.11 the year before.

## Newhouse & Hawley Has Cover For Cuban Tobacco

Newhouse & Hawley is now providing insurance against confiscation, requisition or destruction by Cuban governmental authorities on shipments of Cuban tobacco consigned to American tobacco importers. The coverage protects the American importer from the time the tobacco is loaded on board the U. S. bound vessel and continues during transit.

## Meetings With Producers On Conn. Major Medical

A series of meeting with producers in Connecticut to outline the new plan for major medical coverage of citizens of that state 65 and over are being arranged by John D. Parker Jr., 2nd vice-president of Travelers, chairman of the promotion committee of the group of companies sponsoring the plan.

The meetings will be held Aug. 7 at Hartford, Aug. 8 at Groton, Aug. 9 at Cheshire, and Aug. 10 at Norwalk. Participating will be members of Connecticut Assn. of Insurance Agents, Connecticut Mutual Agents Assn., Connecticut Life Underwriters Assn., and Connecticut Assn. of A&H Underwriters.

## Pa. Legislation

Gov. Lawrence of Pennsylvania has signed a bill making insurance agents responsible as fiduciaries for funds received. The senate has passed a house-approved bill requiring Pennsylvania fire mutuals to license their agents.

A bill to give the insurance department policy approval control over fire mutuals was stalled by the Republicans in the senate, as was a measure that would have applied accounting and record keeping standards to mutuals.

**Associated Adjusters of Arizona** has named Robert V. Peterson to the adjusting staff. He began in the business in 1951 with Hartford group and has been its upper Michigan manager since 1956.

**Richard E. Thoning** has joined the staff of Sayre & Toso at Denver. He has been territorial casualty underwriter and special agent for Employers Liability at Denver for five years.



## U.S.F. & G. Has Good Results In 1st Half

U.S.F.&G. in the first half of 1961 had premiums written of \$156,039,000, an increase of \$2,958,000 over the corresponding period of 1960. Earned premiums of \$140,891,000 were \$2,563,000 more than in the previous year. In the first six months of 1961, \$15,148,000 was added to unearned premium reserve. An underwriting loss on the statutory basis of \$2,008,000 compares with a loss of \$2,120,000 a year ago. The combined loss and expense ratio of 97.1 indicates a profit margin of 2.9%. This compares with combined loss and expense ratios of 97.3 in 1960.

Income from investments was \$7,551,000, an increase of \$695,000 over 1960. Policyholders surplus of \$223,750,000 compares with \$190,478,000 a year ago.

Based upon 5,516,768 total shares now outstanding, investment earnings were equal to \$1.37 per share compared with \$1.24 in 1960. Underwriting earnings, including the equity in the increase of unearned premium reserve, were 66 cents per share or a total of \$2.03 per share compared with \$1.84 in 1960.

Fidelity & Guaranty Life, which started last Nov. 1 in a limited area, is proceeding to introduce life insurance into U.S.F.&G. branches a few at a time. As of June 30, the life company was operating in 18 states and had \$7,548,475 of ordinary and \$48,120,000 of group in force. During June \$2,457,328 of ordinary was paid for.

Royal-Globe has moved its Milwaukee offices to the ground floor of the newly remodeled John Mariner Building.

Thomas B. Miller of Helena (center), recently received a certificate of appreciation for representing Fireman's Fund for 50 years. The presentation was made by Stuart D. Menist, vice-president of the Fund (right), while Kenneth H. Burrell, the Fund's Helena manager, tendered congratulations.



## American States Appoints

American States has appointed John P. Klippel field sales manager at Harrisburg, Pa. The company has been operating in Pennsylvania since 1953, but this is its first expansion into the southeast sector of the state.

Mr. Klippel has been in the business 15 years, most recently as zone manager at Harrisburg for State Auto of Indianapolis.

## F.&D. Names Fuller

Fidelity & Deposit has named Charles Fuller Jr. attorney in the Boston claims office to succeed R. Shedrick Meek, who has retired after 40 years with the company. Mr. Fuller has been in the home office claim department since joining F.&D. in 1952.

## Boston Names Meredith

Boston group has appointed Irving Meredith Jr. special agent in the New England regional office. He will travel central Massachusetts. Mr. Meredith has been with the New England regional office.

Merger has been effected between Berry agency of Wollaston, Mass., and Milton agency of Milton, Mass. It will be known as the Berry agency.

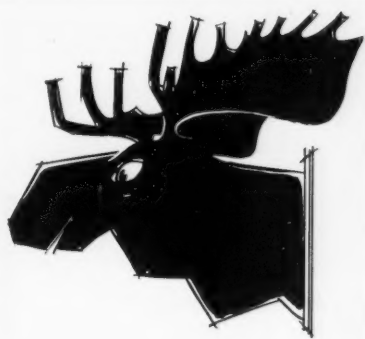
## F. & D. Reports Good First Half Results

Fidelity & Deposit reported underwriting income of \$1,431,488 for the first half of 1961, an increase of \$532,404 over the first six months of 1960. B. H. Mercer, president, said in his semi-annual report that the increase reflects an improved surety loss ratio but that fidelity losses remain too high. Policyholders surplus was \$57,032,944 for the period, up \$4,976,751 from 1960.

Net income after federal taxes was \$1,643,948, or \$1.64 a share for the first half, based on 1 million shares outstanding. This compares with \$1,275,905, or \$1.28 a share in the first half of 1960. Investment income amounted to \$1,019,760 before federal taxes, a rise of 6.2% over the first six months of 1960.

Florida has reduced from 2.5 to 2% the premium tax on workmen's compensation insurance. This will mean approximately \$300,000 a year to the state's employers.

Something  
you can hang  
your hat on!



Prefer real advantages you can see and sell?

Then you'll prefer doing business with Pawtucket Mutual!

With Pawtucket, your customers save substantially on all fire and allied lines and, in addition, get back generous savings on the other lines Pawtucket writes — homeowners forms 1 through 5, inland marine, and automobile physical damage.

Pawtucket settles claims promptly through independent adjusters. This saves time and money, builds good will.

Pawtucket provides you with large line facilities through membership in New England Mutual Fire Underwriters Association and Mutual Inland Marine Underwriters of New England.

And Pawtucket pays liberal commissions to make saving money for your customers worthwhile for you!

Add up all these advantages and you get extra profits you can see and count! So hang your hat with the other independent agents who prefer Pawtucket Mutual. Write today for full details.



**PAWTUCKET MUTUAL  
INSURANCE COMPANY**

25 MAPLE STREET, PAWTUCKET, R. I.

Founded 1848... dividends since 1849



A  
NEW  
FORMULA  
FOR  
SUCCESSFUL  
SALES!

$100Nx+1-100(Rx+1-Rx+9+1)+100gMx+9+1$

$\frac{Dx-Mx+Mx+3+1}{1+L}$

## CROWN LIFE OF CANADA

uses modern experience in investments... management and plans to give you the lowest annuity rates in 20 years.

Male at age 65—\$100 a month for life—\$13,910

\$100 a month for life

Guaranteed 20 years—\$18,410

\$100 a month for life

Guaranteed 10 years—\$15,150

Greater discounts by size of deposit. Crown's Immediate Annuities —all ages—all forms—all sizes—go modern for less!

**WHEN IT'S  
NEW IN TOWN  
IT COMES  
FROM CROWN**

To: Brokerage Development Dept.  
The Crown Life Insurance Company  
120 Bloor St. East, Toronto, Canada.

Please send me your new formula for low cost immediate annuities.

To: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# How To Make Company Publication More Effective Told By Schaffer

The importance of company publications and ways of making them more effective in achieving management aims were discussed by Franklin E. Schaffer, vice-president of Doremus & Co., New York advertising agency, at a meeting of House Magazine Institute in New York. Mr. Schaffer has been active in the conduct of the Big I

Campaign of National Assn. of Insurance Agents and in the handling and direction of other insurance advertising and public relations efforts.

More than \$500 million is spent annually by American business and industry on company publications, he said. Yet many publications are much less effective than they could be. These

failures result not from the amount of money spent but in the way in which the money is spent. The chief reasons are failure to define purposes, failure in the use of personnel, and failure in understanding the public the publication seeks to reach.

Mr. Schaffer recommended four ways by which a company can increase the effectiveness of its publication—state clearly the objectives, improve the status of the editor, survey employees to learn what interests them, and increase reader interest.

House Magazine Institute recently

conducted a survey, which showed that 71% of the publications are magazines, 26% newspapers, and 3% newsletters. More than two-thirds of the company publications are printed by letterpress, others offset. The greatest number of publications, 40%, are monthly; 29% come out every other month, 5% twice a month, and 11% four times a year.

Roughly half of the publications are mailed to employees' homes; 25% are picked up at the plant, and 9% use both methods. The average annual circulation of these publications is 113,000 copies per year. The average cost per copy for magazines is 43 cents; the average cost per copy for the newspapers 27 cents. These figures are based on production and mailing costs alone and do not include salaries, overhead, and the like.

## Varied Practices

To the question, "Does the publication have clearly defined written objectives," 75% of the publications indicated they do have written objectives; the others do not. "Has your company ever conducted a survey or study to find out what employees know or do not know about company products, economics, and operations?" To this question 34% answered yes, the others no.

The survey showed that 30% of the editors report to the company's public relations manager and 26% to the personnel manager. The balance of replies were astonishingly varied: Editors report to sales promotion managers, advertising managers, an editorial board comprised of top management, industrial and community relations managers, assistant cashiers, senior vice-presidents, and managers of information.

## Must Clear Material

The average editor must clear his material through three people, generally officers of the company. In the larger companies the editor must obtain approval from as many as 10. Most editors say that they secure approval of special features from department heads. In those companies where the president or other top executive is listed as among those who clear publications, the approval route is shorter.

Editors are hindered in the performance of their job by other duties—90% of the editors perform other functions in addition to their editorial work. They spend 40% of their time on other duties, such as preparation of speeches, press releases, letters, customer relations, and internal communications (newsletters, bulletin boards, and booklet programs).

The largest complaint by editors was the lack of management cooperation, Mr. Schaffer continued. One-fifth of the editors felt that they did not have management cooperation—a shockingly high figure if house magazines are to serve a useful purpose. Almost as

(CONTINUED ON PAGE 12)



INSURANCE COMPANY

MULTIPLE LINE STOCK COMPANY

175 WEST JACKSON BOULEVARD

CHICAGO 4, ILLINOIS

PHONE WABash 2-3622

## FINANCIAL STATEMENT As of June 30, 1961

### ASSETS

Cash in Banks and Office	\$ 861,775.66
U.S. Government Bonds, Notes & Certificates	735,448.10
State & Municipal Bonds	1,459,974.66
Preferred Stocks	16,500.00
Common Stocks	224,060.00
Premiums in Course of Collection, Net	100,970.74
Interest Due and Accrued	15,283.71
Due from Reinsurance Companies	347,445.86
Reinsurance Deposits	2,184.41
<b>TOTAL ADMITTED ASSETS</b>	<b>\$3,763,643.14</b>

### LIABILITIES

Reserve for Losses	\$1,327,960.34
Reserve for Loss Adjustment Expense	236,345.94
Reserve for Accrued Expenses and Taxes	72,417.40
Funds Held by Company Under Reinsurance Treaties	167,942.48
Reserve for Unearned Premiums	947,049.00
Reinsurance Due from Unauthorized Companies	62,941.47
Reserve for all Other Liabilities	4,802.32
<b>TOTAL LIABILITIES</b>	<b>\$2,819,458.95</b>
<b>SURPLUS TO POLICYHOLDERS</b>	<b>944,184.19</b>
<b>TOTAL LIABILITIES &amp; SURPLUS</b>	<b>\$3,763,643.14</b>

## KURT HITKE & COMPANY, INC.

General Agents

175 West Jackson Blvd., Chicago 4, Ill.  
1776 Peachtree St. NE, Atlanta, Ga.

430 N. 5th St., Springfield, Ill.  
693 N. E. 79th St., Miami 38, Fla.

## WE ARE SPECIALISTS IN PLACING UNUSUAL RISKS

### AUTO B. I. & P. D. - COMP., COLL.

Taxicabs  
Rent-A-Car  
Busses  
Motorcycles  
Local & Long Haul Trucks  
Bob-Tail & Dead Heading  
L.P.G. Dealers  
Gasoline Haulers  
Excess Liability

### FIRE & E. C.

Surplus Line and  
Excess on  
Commercial or Dwellings

### INLAND MARINE

### FINANCIAL RESPONSIBILITY

### FILINGS

### PREMIUM FINANCING

### GENERAL LIABILITY

M & C  
O L & T  
Products  
Liquor Liability  
Nursing Homes  
Beauty Shop  
Malpractice Liability  
Amusement Parks  
Excess Liability

If Your Company Doesn't Write It, Try Us

1926

THIRTY - FIVE

(35)

YEARS OF SERVICE

1961

## K. L. PEARCE COMPANY

PAYROLL AUDIT SERVICE

AGENCY CONTACT ALWAYS

HOME OFFICE: INSURANCE EXCHANGE Bldg.  
DES MOINES, IOWA • Phone: CH 3-6447, CH 3-6449  
IOWA • MINNESOTA • DAKOTA • NEBRASKA  
MISSOURI • ILLINOIS • WISCONSIN • INDIANA  
MICHIGAN • KANSAS • OKLAHOMA • COLORADO  
NEW MEXICO  
ASSOCIATES IN OTHER STATES



## U.S.F. & G. Elects Smith V-P, Raises Doerre, Reinhardt

U.S.F.&G. has elected Wilbur F. Smith a vice-president, Karl H. Doerre assistant vice-president, and Richard D. Reinhardt assistant secretary.

Mr. Smith, who had been assistant vice-president in the fidelity-surety departments, will assume charge of the research and review department. In his new post he succeeds Vice-president William H. Spencer, who was recently appointed agency director for the western division.

Mr. Doerre, formerly an assistant secretary and superintendent of the contract bond department, will succeed Mr. Smith in the fidelity-surety departments. Mr. Reinhardt will become superintendent of the contract bond department, advancing from the position of assistant superintendent.

### Joins In 1937

Mr. Smith joined U.S.F.&G. in 1937 as a trainee in fidelity and surety bonding. He spent several years at Detroit and Washington, D. C., before returning to Baltimore as an underwriter in the home office contract bond department. He became superintendent of the department in 1952 and, four years later, was elected assistant vice-president in the combined fidelity-surety departments.

Mr. Doerre joined the company at St. Louis in 1947 as a fidelity-surety underwriter, later becoming superintendent of fidelity-surety at that branch office. For several years he was superintendent of fidelity-surety at Portland, Ore. In 1956 he went to the home office as assistant superintendent of the contract bond department and was promoted to superintendent two years later.

Mr. Reinhardt began with U.S.F.&G. in 1949 as a trainee in fidelity-surety and was assigned to Philadelphia. Returning to Baltimore in 1955, he was named assistant superintendent of the home office contract bond department.

### GAB Promotes Two

General Adjustment Bureau has appointed Fred Kracke general adjuster at New York. Donald T. Corrigan, who has been at Fall River, Mass., since 1955, has been promoted to manager there to succeed Mr. Kracke.

### New Iowa Company

Articles of incorporation have been filed for Farmers Life of Des Moines, a stock company with authorized

capital stock of \$500,000. The company is wholly owned by Farmers Elevator Mutual of Des Moines.

Listed as officers of the new company are Milford M. Beeghly, president; R. L. Edison, executive vice-president; F. J. Ludwig, vice-president and D. E. Edison, secretary-treasurer. All are with the parent company.

**Maryland Assn. of Insurance Agents** will hold its 1962 midyear meeting aboard the Ocean Monarch, sailing from Philadelphia or Baltimore, May 19, to Bermuda.

## Selected Risks Does Well In First Half

Selected Risks of Branchville, N.J., reports an underwriting profit of \$129,988 before taxes for the first half of 1961, compared with a loss of \$132,754 in the first half of 1960. Premiums written totaled \$7,867,422, up 8.5% from the same period in 1960. Policyholders surplus was \$5,876,463, a rise of \$1,152,660 over same period last year.

The ratio of losses and loss expenses to premiums was 93.5 against 98.0 in

## Great American Makes Changes, Promotions

Clifton B. Watkins, manager at Boston for Great American, has retired after 35 years with the company.

George B. Flight has been named manager of operations in Massachusetts and Rhode Island. Associated with him will be N. B. Dyer, J. J. Hagerty and W. L. Mason at Boston, and R. G. Stubbart at Providence.

1960. Investment income for the period totaled \$240,348, up 15.9%.



# Continental Casualty

## NEWS



Continental policies are always **GOOD NEWS** to Agents

VOLUME 1

SUMMER, 1961

# CONTINENTAL'S RETROSPECTIVE RATING PROGRAMS CAN HELP STOP RUNAWAY PREMIUM COSTS



**LARGE COMMERCIAL AND INDUSTRIAL ACCOUNTS LIKE THIS MODERN APPROACH**

Companies using Continental's retrospective rating plans include leading firms in aviation, construction, distilling, manufacturing, oil, packing, publishing, transportation, and utilities, as well as many other industries and various government units.

More and more large companies are obtaining significant premium savings through Continental's flexible underwriting approach in the application of retrospective rating plans, in a wide range of coverages, including workmen's compensation, automobile liability, automobile physical damage and general liability insurance.

Continental has unique experience and strength

in retrospective ratings. Technical experts and specialists in the home office and in the field are readily available to work with you and your clients.

Let us show how Continental's depth of know-how can assist you in developing retrospective rating proposals for sizable accounts. See your nearest Continental agent or branch representative . . . or fill out the coupon below.

## Levering Cartwright INSURANCE STOCKS

### Life-Fire-Casualty

### Cartwright, Vallean & Co.

Members Midwest Stock Exchange

Board of Trade Building  
Chicago 4, Illinois

WAbash 2-2535 Teletype CG1475

You may telephone orders collect.

### CONTINENTAL CASUALTY COMPANY

A Member of the

Continental-National Insurance Group

Continental Assurance Company

National Fire of Hartford

Transportation Insurance Company

Transcontinental Insurance Company

### Continental Casualty Co.

NU-84

Room 2802, 310 S. Michigan Ave., Chicago 4, Illinois

☐ Please send full details on Retrospective Rating Plans.

☐ I am interested in an agency or brokerage appointment.

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

ZONE \_\_\_\_\_

STATE \_\_\_\_\_

## PRIMARY COVERAGES IN ILLINOIS

WORKMEN'S COMPENSATION	GARAGE & DEALERS LIAB.
AUTOMOBILES & TRUCKS	LIQUOR LIABILITY
OLT—MFRS. & CONTRACTORS	MALPRACTICE LIABILITY
COMPREHENSIVE GEN'L. LIAB.	BEAUTY SHOP LIABILITY
COMPREHENSIVE PERSONAL LIAB.	BURGLARY
PRODUCTS LIABILITY	PLATE GLASS-50/50

★ Special Retros on Large W.C.-Liab.-Fleets, Etc.

## EXCESS LIABILITY

All 3rd Party Liability Including Excess  
Above Assigned Risk Auto Limits to  
100,000/300,000/100,000.

## SURPLUS LINES

OUTSIDE ILLINOIS—Through Licensed  
Surplus Lines Agents in Those States  
And Territories Which Permit Non-  
Admitted Carriers To Write Liability  
Coverages.

**NOW WRITING FIRE AND INLAND MARINE  
AT BOARD RATES IN ILLINOIS . . . .  
AND SURPLUS FIRE AND INLAND MARINE  
IN OTHER STATES AS A NON-ADMITTED CARRIER  
. . . . LARGE SINGLE RISK CAPACITY . . . .**

FIDELITY GENERAL



INSURANCE COMPANY

Randolph 6-4060

A STOCK COMPANY

222 West Adams Street  
Chicago 6, IllinoisSCOTT WETZEL  
COMPANY

INSURANCE ADJUSTERS



HOME OFFICE

420 SOUTH MAIN

SALT LAKE CITY, UTAH

DAVIS 2-2541

SIX OTHER DAY AND  
NIGHT OFFICES IN

PROVO, UTAH  
317 West Center Street  
Franklin 3-5940

OGDEN, UTAH  
624 Eccles Building  
EXport 9-3391

POCATELLO, IDAHO  
First Security Bank Bldg.  
CEDar 3-2762

IDAHO FALLS, IDAHO  
258 Broadway  
JACKson 2-3431

TWIN FALLS, IDAHO  
1023 Blue Lakes Blvd., North  
REDwood 3-4576

COLORADO SPRINGS, COLO.  
15 South Weber  
MEDford 2-8831



Robert Swain, special agent Indiana Lumbermens Mutual, Washington, presents his company's I. G. Saltmarsh award, a \$100 U. S. savings bond, to Phillip Russell of Wenatchee, Neb.—one of two youthful drivers named "Safe-Teen of the Year." Looking on is Judge Frances Cook, Beaverton district, Ore., founder of Safe-Teen six years ago, and Glenn Reed, Safe-Teen committee chairman of Washington Elks Assn., sponsor of the organization in that state. Mr. Russell also received a wrist watch and certificate from Safe-Teen.

Safe-Teen was formed to dignify and accredit the teenage driver: Any licensed driver, under 25, having a driver's license in good standing and a safety check made on each car he or she may drive may enroll and display the official Safe-Teen Strip on the rear bumper. Indiana Lumbermens established the I. G. Saltmarsh award in the name of its past president and now chairman to express its feelings that Safe-Teen was deserving of recognition and support. The other co-winner this year was Jeannette Wood of Omaha.

National Fire Promotes  
Ray Reed In So. Illinois

Ray W. Reed has been promoted to state agent in central and southern Illinois for National Fire. He succeeds W. R. Martin who is going into the local agency business.

Mr. Reed was with the Illinois Inspection Bureau in Springfield and Rockford before joining National in 1957. Since then he has been traveling in Illinois. He will continue to have headquarters in the Myers Building, Springfield, where he will be associated with Special Agents R. T. Bentz, C. Hunt, and E. D. Jester.

## Hartford Promotes Weeks

Hartford Accident has appointed Harold B. Weeks New England district engineer to succeed Philip A. Havey, who has been raised to superintendent of engineering at the home office. Mr. Weeks joined the company in 1956 and was successively at Providence, Portland, and Manchester, N.H., before being transferred to the home office last year.

Fire prevention week will be observed beginning Oct. 8, President Kennedy has proclaimed.

St. Lawrence group of Chicago has begun writing beauty shop and barber shop malpractice liability.

Nw Mutual Names Bridges,  
Mach In Texas Territory

James Bridges and Milford Mach have been named special agents at Fort Worth for north Texas and at San Antonio for the southern part of the state, respectively, by Northwestern Mutual. Mr. Bridges was previously special agent at Raleigh, and Mr. Mach has been in the north Texas territory.

## PPF Loadings In Ohio

Effective Sept. 1, Inland Marine Insurance Bureau has promulgated personal property floater loadings for Cuyahoga, Mahoning and Summit counties. They are \$1.95 for the first \$5,000 of coverage, \$1.05 for the next \$5,000, 50 cents for the next \$10,000, 16 cents for the next \$30,000 and 16 cents for amounts in excess of \$50,000.

The new loadings for Ohio, except for the three counties above and excluding Franklin, Hamilton and Lucas counties, which remain unchanged, are \$1.50, 80 cents, 30 cents, 13 cents and 13 cents for the same coverage amounts.

Two Chattanooga agencies, Silberman & Co. and Grady-Alexander, have merged. The new agency will be known as Silberman-Alexander with offices at the present address of the Grady-Alexander agency.

## EIGHT CURRENT OUTSTANDING INSURANCE POSITIONS

## N883

EAST—FIRE MANAGER—\$12,500

Age to 40. College Degree mandatory. Minimum eight years in Branch Office supervisory capacity or as State Agent. Ideal opening for individual interested in Production position. Preliminary period of foreign service.

## N884

M. WEST—PERSONNEL SUPERVISOR—\$8,500

Age to 35. College degree. Minimum five years insurance company experience. Rapid advancement to operations division. Agency company housed in desirable area.

## N885

M. WEST—MULT. LINE EXEC.—\$20,000

Age to 45. Presently in high Administrative capacity with proven capabilities to manage all facets of administrative functions.

## N881

M. WEST—FIRE MANAGER—\$12,500

Age to 40. College Degree mandatory. Minimum 10 years fire-allied lines background. Currently in company managerial capacity. Assets in excess of \$100,000,000. Progressive company. A highly recommended opening.

Please mention job number in responding. Write for our brochure "How We Operate." No obligation to register. All inquiries given confidential handling.

## FERGASON PERSONNEL

INSURANCE PERSONNEL EXCLUSIVELY

330 S. Wells

Harrison 7-9040

Chicago 6, Illinois

## N882

NO. CALIF.—CASUALTY ACTUARY—\$17,500

Age to 45. Associate or Fellow in Society. Background of at least 10 years diversified actuarial experience. Recommended to Actuary interested in position with diversified duties rather than the confines of the usual actuarial position.

## N886

EAST—RETRO UNDR. MANAGER—\$12,000

Age to 45. Minimum 10 years retrospective underwriting experience with administrative background "heavy" enough to set up new department. Company established 75 years. Assets in excess of \$100,000,000.

## N887

M. WEST—MARINE ACCOUNTS EXEC.—\$12,500

Age to 38. College degree mandatory. Eight years specialization all forms of marine production. Position is with very high caliber organization.

## N888

ARIZ.—BOND UNDERWRITER—\$7,000

Nationally known Bond carrier. Age to 35. Minimum four years Fidelity-Surety experience.



## House Unit Agrees On Insurer Taxation

WASHINGTON—The House ways and means committee has reached tentative decisions on the change in formula for the federal income taxation of mutual property and liability insurers. The committee agreed:

—That mutuals with gross receipts (net premiums plus gross investment income) of more than \$75,000 but not more than \$300,000 would pay tax only on investment income. Mutuals with receipts of less than \$75,000 would continue to be tax exempt.

—That 50% of underwriting income would be taxed in the year earned. Over a transition period of five years, the remaining 50% of underwriting income would gradually change from tax exempt to taxable. Ten percentage points of underwriting income would change from non-taxable to tax deferred each year until ultimately 50% would be deferred for five years and then would be taken into account unless offset by intervening losses.

### Underwriting Losses

—That underwriting losses would be taken into account in the same ratio as underwriting would be taxed.

—That a special deduction would be allowed reciprocals for amounts permanently credited or assigned to subscriber accounts. The deduction would be limited to the premium the subscriber could withdraw if his policy were to terminate. Otherwise these insurers would be treated like mutuals.

—To treat Factory Mutuals as stock insurers. Their premium income would be computed by taking into account for tax purposes only the portion of premium deposits which the factory mutual absorbs each year to cover losses and expenses and to add to surplus. Taxable income would equal absorbed premiums less losses and expenses plus 2% of absorbed premiums.

—To repeal the special 2% deduction for life companies on their group A&S business.

## House-Passed Bill Gives Pa. Department Authority To Rule On Credit Cover

A bill which would give the Pennsylvania department authority to write rules and regulations governing the sale of credit life and credit health insurance has been passed by the house and sent to the senate.

Penalties for violations of the proposed legislation would be fines ranging from \$250 to \$1,000.

## Safety Institute Makes Changes, Promotions

Insurance Institute for Highway Safety has made several staff promotions and assignments.

Nils A. Lofgren, director of program planning, will be additionally responsible for statewide citizen traffic safety groups and for the institute's direct assistance programs in selected states. Adrian H. Koert, director of the assistance programs in Wisconsin, has also been named in that capacity to Arizona, Florida and New York.

William J. Toth, who had been working on the assistance programs, has been named assistant treasurer. He will supervise the annual national high school driver education award program and assist Richard O. Bennett, secretary-treasurer, in office management.

Emerson H. Westwick, who has been working in the Arizona direct assistance program and as executive secretary of Assn. of State & Provincial Safety Coordinators, will devote full time to the latter post. He will report to L. J. McEnnis Jr., director of public relations.

## Material Damage Market

paying

## Top Commissions

(Guaranteed—Not Retro)

on

## Sub-Standard Passenger Cars

and

## Commercial Risks—All Types

For Further Details

Write Box Z-65,

c/o The National Underwriter,

175 W. Jackson Blvd.,

Chicago 4, Ill.

# Harbor Insurance Company

## Wm. H. McGee & Co., Inc.

MARINE UNDERWRITERS

111 John Street, New York 39, N.Y.

Baltimore	New Orleans
Boston	Philadelphia
Chicago	San Francisco
Columbus, O.	Seattle
Dallas	Toronto
Detroit	Montreal
Houston	Porto Rico
Jacksonville	Honolulu
Los Angeles	Trinidad B.W.I.



OCEAN MARINE  
INLAND MARINE  
HOMEOWNERS' COMPREHENSIVE  
MANUFACTURERS OUTPUT  
and similar covers

## Royal-Globe Adds Multiple Lines At Chicago, Atlanta

Royal-Globe has added multiple line underwriting departments at Chicago and Atlanta to handle multiple peril policies. These will be the first policies under which boiler and machinery will be provided optionally on discounted premiums.

John W. Henry has been appointed superintendent at Chicago and Robert M. Kershaw at Atlanta. Mr. Henry

was most recently superintendent of casualty underwriting operations at Chicago and Mr. Kershaw had been state agent in Greensboro, N.C.

## Harold Ginsburgh Retires

Harold J. Ginsburgh, senior vice-president of American Mutual Liability, is retiring Sept. 1. He joined the company in 1926 after six years with Aetna Life. He was named assistant secretary in 1930, assistant vice-president in 1937, vice-president and actuary in 1943, and vice-president and

manager of the underwriting department in 1955.

In 1955 Mr. Ginsburgh was elected a senior vice-president in charge of general underwriting policy. In recent months he has directed the development of electronic data processing in the company. He is a fellow and past president of Casualty Actuarial Society.

H. B. Nelson, general manager of Hoosier Casualty at Freeport, Ill., has moved to new offices in the Professional Building, 27 West Main Street.

## Terms America And Australia Last Outposts Of Voluntary Medicine

To avoid socialized medicine in the United States, physicians must work with the government on a practical basis, Australia's health chief told Michigan Blue Cross-Blue Shield and medical leaders.

Sir Earle Page, former prime minister and now minister of health for Australia, was the featured speaker at the annual sessions of Michigan Hospital and Michigan Medical Services and the council of the Michigan State Medical Society at Mackinac Island.

The Australian official said his nation's health care system used similar ideas to those of Blue Cross, but included government subsidy. He called the program a "partnership of the people, the medical profession, insurance organizations and the national government."

### Hold Key To Progress

"You doctors," said Sir Earle, "hold the key to medical progress, not only in your own country but in the entire world. If you don't work out practical relationships with your government, the tradition of voluntary health care will be lost forever. What we have done in Australia is to work out with the medical profession a system of subsidy for people's health care which operates through our insurance societies patterned on your Blue Cross system."

He said the government does not interfere in the practice of medicine or interpose barriers between doctor and patient. The government feels that the medical profession must be final judge in the practice of medicine. He said disciplinary committees within the profession are effective in making the system work and the medical profession even publishes the names of their own members if there is proof they have abused the plan. He called Australia and America the "last outposts of voluntary medicine."

## Peerless Names Marion

Peerless has appointed Max J. Marion manager at Montpelier, Vt. He has been in the business since 1936 and has had experience as a casualty underwriter, special agent and casualty department manager.

## Service Guide

### DALE & COMPANY LIMITED

Head Office  
Dale House, 710 Victoria Square, Montreal  
**COMPLETE INSURANCE SERVICE**  
**THROUGHOUT CANADA**  
LLOYD'S AGENTS . . . MONTREAL  
Offices at  
Halifax, Montreal, Toronto, Winnipeg,  
Edmonton, Calgary, Vancouver

### ROBERT I. BUSHNELL

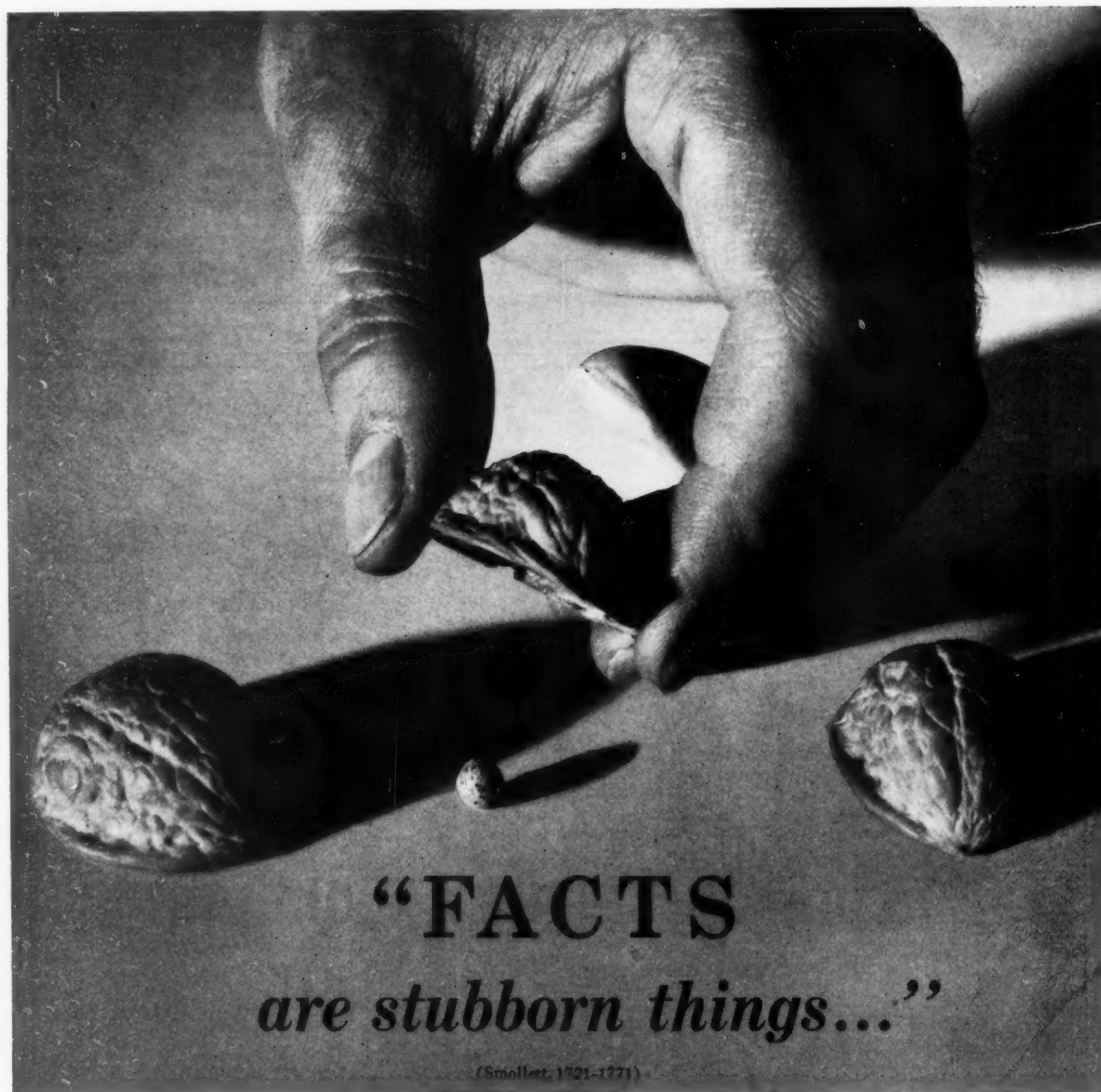
*Management Consultant*  
*to Insurance Organizations*

**FIRE—CASUALTY—LIFE**

Hoydens Hill Road Fairfield, Connecticut

### FRANK LANG & ASSOCIATES, INC.

Consultants in  
Marketing  
and Management  
for the  
Insurance Business  
NEW YORK 17, N. Y.  
521 Fifth Ave., OXford 7-4044  
CHICAGO 2, ILL.  
1 No. La Salle St., FR 2-2795



Why play guessing games when it comes to plant security?

In safeguarding life, property and profits against fire, burglary and other hazards, ADT automatic protection services have proved their effectiveness and dependability.

*Here's the evidence in a nutshell:*

**It's a fact**—During the past ten years, ADT waterflow alarm service provided subscribers with an immunity against fire loss that averaged 99.98 per cent of protected values.

**It's a fact**—Throughout the same period, subscribers to ADT burglar alarm service enjoyed an immunity against burglary loss that averaged 99.99 per cent.

Dependability like this warrants serious consideration. Other facts about plant protection are contained in an illustrated booklet that's available (Canada and U.S. only) by writing to us. Better still, call the ADT security specialist listed in your telephone directory.

## AMERICAN DISTRICT TELEGRAPH COMPANY

Executive Office: 155 Sixth Avenue, New York 13, N. Y.

A N A T I O N W I D E O R G A N I Z A T I O N





## Recruitment, Employment, Retention Program Initiated By Southern California Organizations

Almost simultaneously with the announcement last week of North America's plan to assist its agencies in selecting, training and holding on to new agents, 20 agent and company organizations in southern California report the formation there of a program for the recruitment, employment and retention of insurance personnel.

Known as the R-E-R program, it is specifically designed to come to grips with one of the industry's most basic problems: Attracting and retaining qualified young men and women in insurance.

The meeting was called by the leaders of two producer organizations whose special study committees devoted several months in researching and defining insurance personnel problems and consulting with professional leadership on proposed answers to these problems.

E. C. Rhodes, president Insurance Brokers' Society of Southern California, and Stephen R. Dach, president Insurance Assn. of Los Angeles, jointly issued the invitation for industry-wide presentation to the presidents of 19 other general insurance organizations. The response was 100% participation at the proposed luncheon meeting.

Cooperating organizations are California Blue Goose pond, Casualty Claim Managers Forum, Casualty Insurance Assn. of Southern California, CPCU, Claims Managers Council, Insurance Assn. of Los Angeles, Insurance Brokers Assn. of California (Southern district), Insurance Brokers' Society of Southern California, Insurance Fieldmen's Assn. of South-

ern California, Insurance Information Institute, Insurance Underwriters Assn. of the Pacific, Insurance Women of Los Angeles, Los Angeles Chamber of Commerce (general insurance committee), Marine Underwriters of Southern California, Mutual Managers, National Automobile Club, Pacific Fire Rating Bureau, Personnel Management Forum, Surety Underwriters Assn. of Southern California, and

### Schwarz Named Manager Of Inland Adjusters

Edward R. Schwarz has been appointed manager of Inland Adjusters of Philadelphia. He has had a long career in the claim and loss field. He started with Preferred Accident, later joined Weeks Adjustment, and then served Crum & Forster as assistant claim manager and as supervisor of fire and inland marine claims. He was also with Scibal Adjustment Bureau as manager of the casualty department.

### New Indiana Handbook

A new Underwriters Handbook of Indiana has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Indiana handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

Western Insurance Information Service. Also, National Bureau of Fire Underwriters and Assn. of Casualty & Surety Companies have been asked to participate.

In its statement, the R-E-R program minces no words as to the seriousness of the problem: "The insurance industry is not attracting nor retaining the caliber of people it deserves and needs. It is imperative that this condition be improved so that the business of insurance can prosper as an integral part of the free enterprise system. It is an all-industry problem.

Both companies and producers are affected."

Causes of the problem are listed as increasing competition for employees from other industries, particularly in the "glamour" fields, which have aggressive, organized programs for recruiting; lack of appreciation by teachers, counselors and students of the opportunities in the insurance industry; lack of communications with the general public in telling the insurance story; heterogeneous recruiting and employment methods in the in-

(CONTINUED ON PAGE 16)



## Security ... a sure thing?

In this uncertain world, you can count on this: security is achieved as a by-product of productive work, not as an end in itself. And you can be doubly sure of succeeding with Security-Connecticut — because this multiple-line company offers you contingent-commission and profit-sharing contracts for qualifying business, policies priced to meet direct writer competition, shaped to sell with modern features like monthly payments and deviated policies.

Your own security, prosperity, long-term success depends in no small measure on **Security-Connecticut** — the one multiple-line company pledged to the American Agency system, the single source for all these lines:

life • accident • fire • casualty • group • automobile • marine • bonds • and all other forms of personal business insurance.



**The Security • Connecticut Insurance Group**  
New Haven 5, Connecticut

Security Insurance Company of New Haven  
Connecticut Indemnity Company  
Security-Connecticut Life Insurance Company  
Fire & Casualty Insurance Company of Connecticut  
Founders' Insurance Company

U.S. Branch

**SWISS  
NATIONAL  
INSURANCE  
COMPANY Ltd.**

Since 1883

Member of

**American Equity**  
INSURANCE GROUP

Executive Offices: 901 N.E. Second Avenue  
Miami, Florida

## Tells How To Make Company Publication More Effective

(CONTINUED FROM PAGE 6)

many editors complained of problems in meeting deadlines, 15% said getting interesting material was their greatest headache, 9% complained of inadequate help, and 7% lacked access to good news sources. Others complained of problems in sustaining enthusiasm, inadequate budget, too many different approvals needed.

Most of these problems are inter-related. To illustrate, meeting deadlines is difficult in many cases because

of the need to clear material through a great number of people. When an editor complains that he has no access to news, it is clear that he does not have real cooperation from management.

### Troubles Are Listed

Editors listed their troubles: Almost total lack of interest by senior management in the publication, and no single coordinated plan for all employee communications. Failure to recognize the

amount of time and effort that must go into the production of each issue. Very little information is supplied by management. Reluctance to permit publication of enough news about the business. Every department head fancies himself an editor.

Mr. Schaffer pointed out that without written objectives, publications are either floundering in a morass of uncertainty or following the whim of an editor or other officer of the company. The statement of objectives should be

simple and direct. One such statement is: "To help perpetuate the enterprise it represents." Perhaps that is too brief, he said. But it is possible to make objectives too detailed and put the editor in a strait jacket. He suggested one statement of objectives: To build employee pride in the company, to create a true portrait of the company for the community and public, to disseminate important information about the company, to help improve the company's efficiency, and to promote understanding of the free enterprise system.

The Atlantic Log, the house magazine of the Atlantic Mutual group, has this set of written objectives: To inform and educate the staff about the company, its history, its products, and its goals, and to keep alive the tradition and image of a company founded many years ago and to take pride in them; to emphasize the importance of people in the group and to recognize and understand their needs as human beings; and to persuade and educate employees that what is good for the company is good for them so they understand and appreciate the position of insurance in the economy today and how it affects them.

A number of companies have two different house magazines, each serving a different purpose. IBM has Business Machines, which is distributed to employees, and Think, which is an external house magazine publishing articles by well known public figures and not mentioning the company in the magazine. Grey Advertising Agency has published a monthly newsletter, Grey Matter, now in its 26th year, which is used as an additional service to its clients as a new business tool.

Allstate publishes an external house

### WHERE TO PLACE YOUR BUSINESS

A guide or directory of responsible and adequately equipped local agents. These offices have nation-wide facilities for handling your out-of-state business.

**BURGLARY, HOLDUP, AUTO PHYSICAL DAMAGE, Beauty Parlor Liability, OL&T and Auto Medical Expense Coverage for Assigned Risks Anywhere in U.S.A. Surplus Line Basis. Quick Quotations. Phone or Write**

**ALLIANCE ASSURANCE AGENCY**  
327 S. LaSalle, Chicago 4, Ill.  
Harrison 7-0438

### CRITCHELL-MILLER INSURANCE AGENCY

Established 1868  
Insurance Exchange Building  
CHICAGO

### Moore, Case, Lyman & Hubbard General Agents

175 W. JACKSON BLVD.  
CHICAGO  
WAbash 2-0400

### Chris Schroeder & Son, Inc.

210 E. Michigan St., MILWAUKEE  
Engineering Services—All Lines  
The largest insurance agency in the State of Wisconsin

**SOUTHEASTERN UNDERWRITERS, Inc.**  
and  
**SOUTH GEORGIA INSURANCE AGENCY**  
General and Excess Lines Agents  
821 E. 66th St. Savannah, Georgia  
Phone EL 4-1320 Cable—"SOGA"  
1145 Peachtree St. N.E., Atlanta, Ga.  
Phone 876-2200 TWX—AT 983

# GUARANTEED RENEWABLE

## Hartford Major Medical Plan gives Hartford agents and brokers another strong sales builder

Now from the Hartford Life Insurance Company and the Hartford Accident and Indemnity Company comes exciting, new, much-in-demand protection—a Major Medical Expense Policy that's **GUARANTEED RENEWABLE**.

You can now provide family-wide protection against the disasters of major illnesses and injuries. This new policy guarantees renewability to age 65 at the insured's sole option . . . provides cash benefits up to \$10,000 for each covered illness or injury . . . affords world-wide coverage . . . and offers four plans to assure the right protection for each client.

A complete promotion kit is available to help Hartford Agents let their communities know about this vitally important new Hartford Insurance. The kit includes descriptive literature, posters, broadsides, mailing pieces, proposal forms, and convenient charts of annual rates.

Hartford **GUARANTEED RENEWABLE** Major Medical Insurance is one more reason why you'll do well year in and year out with policies bearing the famous Hartford Stag.

HARTFORD FIRE INSURANCE COMPANY • HARTFORD ACCIDENT AND INDEMNITY COMPANY • HARTFORD LIFE INSURANCE COMPANY • HARTFORD LIVE STOCK INSURANCE COMPANY • CITIZENS INSURANCE COMPANY OF NEW JERSEY • NEW YORK UNDERWRITERS INSURANCE COMPANY • TWIN CITY FIRE INSURANCE COMPANY



**THE HARTFORD INSURANCE GROUP**

Hartford 15, Connecticut



magazine, Home & Highway, with a fantastic circulation of more than four million copies, which places it well up in the ranks of leading mass circulation magazines. The masthead states that it is "published in the interest of accident prevention and to promote a better understanding of insurance subjects." Undoubtedly an allied purpose is to provide the Allstate policyholder with an extra service that will tie him more closely to the company.

Thus a house magazine can be used to achieve many and varied goals.

The mere size and cost of some company publications should make the role of the editor an important one, Mr. Schaffer observed. Assuming that the editor is a man who knows his job, which is communications and, more specifically, writing—if he is capable—management should broaden his communications function. Some companies now are doing this. Editors prepare speeches for company officers, edit company correspondence, and play an active role in public relations.

But this broadened communications function is meaningless unless the editor has direct access to top management and to top management policy.

#### Confidence Needed

The editor who understands company policy can interpret company policy to both employees and public. The editor in whom top management confides will repay this confidence a hundred-fold in improved business communications. The editor who is informed can contribute ideas as well as articles. Editors are by nature a brainy lot. They may represent an untapped potential in brainpower that could be harnessed to company needs. Also, the company will be saving time and wasted motion and improving efficiency.

All company communications are interrelated, and the editor who understands clearly what his responsibilities are will take on those responsibilities with gusto, Mr. Schaffer believes. The editor should not be given odd jobs that are not related to communications. If he does better at the odd jobs, he should be made janitor and a new editor hired.

Management should not force the editor to clear copy through a vast hierarchy of officers. This wastes his valuable time and theirs, often on trivia.

A survey to find out what employees are interested in does not mean that the company will therefore restrict material in the publication. But by emphasizing material in which employees are interested, the magazine gets better readership for everything in it. A survey by Research Institute of

America revealed that management misses the boat in its ivory-tower guess as to what employees want to learn. The survey proved that employees are vitally interested in receiving company facts and figures, provided that these facts and figures are presented in a form they can understand. Employees want information which they cannot find elsewhere, information about management objectives, and factors affecting their livelihood. They are interested in frank information about the competitive picture and about today's selling problems.

#### Other Suggestions

Mr. Schaffer suggested several ways of increasing reader interest in the publication. One is to reduce the "pap." Another is to liven up headlines. A book entitled "The Art of Courtship" sold only 17,500 copies, but when the title was changed to "The Art of Kissing" it sold 60,500 copies. Only 100 people bought a book called "The Art of Controversy," but the same book, renamed "How to Argue Logically," hit 30,000 copies.

Another way to upgrade content is to publish articles on controversial subjects. The Research Institute study found that employees generally wanted to hear company officers speak out on controversial subjects.

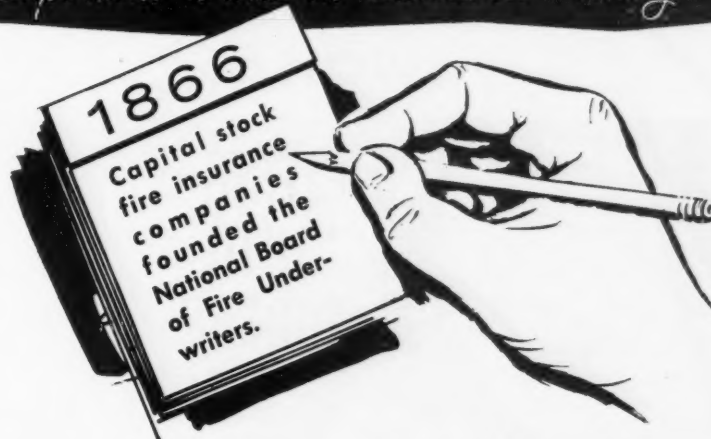
Mr. Schaffer suggested that business publications be used more extensively to sell the American system and combat economic ignorance. They should talk about profits with pride and write vigorously about business achievement.

#### Cal. Agents Co-Sponsor Conference

Co-sponsored by California Assn. of Insurance Agents and Stanford University graduate school of business, the annual advanced agency management conference held at the university drew a capacity enrollment. Bertram Stewart, general manager National Automobile Club, served as conference coordinator for the fifth consecutive year.

A Pennsylvania bill signed into law provides state-paid public liability insurance for members of the state police and enforcement officers of the state liquor control board. The insurance will protect the state employees doing police work against personal actions brought against them as individuals as a result of enforcement activities. Another measure permits the liquor board to carry personal injury and death insurance and insurance against robbery and burglary losses of employees of its 650 liquor stores.

## Important Dates in Insurance History



Its creation was brought about by the post-civil war wave of incendiarism, frequent city-wide fires and general chaotic conditions of the fire insurance business.

In 1925 GULF INSURANCE WAS ORGANIZED—

Today the Gulf Group is  
Texas' Largest Fire and Casualty

Operating exclusively on the "American Agency System"

**GULF INSURANCE COMPANY**  
**ATLANTIC INSURANCE COMPANY**



FIRE

CASUALTY

AUTOMOBILE

INLAND MARINE

Service beyond the treaty

**Reinsurance**  
**AGENCY INC.**

141 W. JACKSON BLVD.  
CHICAGO 4, ILLINOIS  
WABASH 2-7515

Charles A. Pollock, Jr.  
PRESIDENT

Vincent J. Cuddy  
VICE PRESIDENT

## AVIATION INSURANCE



## NATIONAL AVIATION INSURANCE GROUP

- National Insurance Underwriters - Domestic
- National Associated Underwriting Co. - Safety Engineers
- Atlantic Aviation Insurance, Ltd. - Reinsurance & Foreign

INSURING and SAFETY ENGINEERING for a MAJOR PORTION of the WORLD'S AIRCRAFT

For Quotations and Binders - Phone Our Nearest Branch Manager

HOME OFFICE: 8030 FORSYTH BLVD. • ST. LOUIS 5, MISSOURI • Parkview 5-7878

Creators and Producers  
of the  
"FLIGHT SAFETY BULLETIN"

ATLANTA OFFICE  
NEAL CHURCH  
P. O. Box 9933, Ph: 457-7806  
Atlanta 19, Georgia

DENVER OFFICE  
ROBERT OBAR  
P. O. Box 381, IN 6-8427  
Denver, Colorado

FRESNO OFFICE  
NORTHWEST UNDRS.  
GENERAL AGENCY  
1541 E. Olive Ave., AM 8-8636  
Fresno, California

ILLINOIS OFFICE  
JAMES H. OSBORN  
8030 Forsyth, PA 5-7878  
St. Louis 5, Missouri

INDIANAPOLIS OFFICE  
DONALD ORBAUGH  
Airport, FE 2-6142  
Elwood, Indiana

MINNEAPOLIS OFFICE  
RALPH BAUER  
6612 Unity Ave. N. - KE 3-5801  
Minneapolis 22, Minnesota

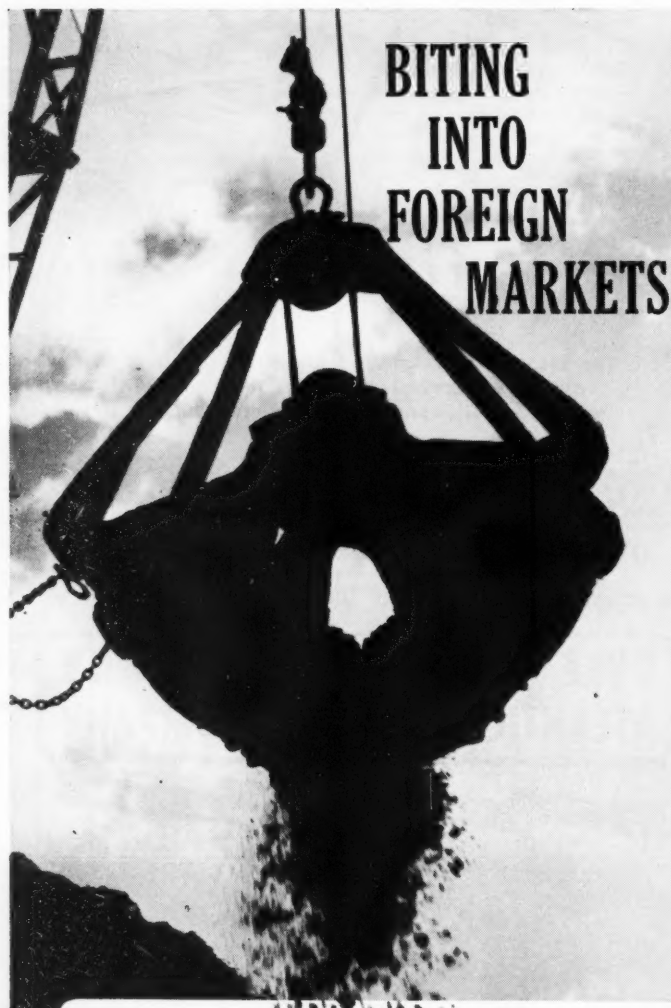
MISSOURI OFFICE  
JAMES BRINKER  
8030 Forsyth, PA 5-7878  
St. Louis 5, Missouri

PORTLAND, OREGON,  
NORTHWEST UNDRS.  
GENERAL AGENCY  
Wilcox Bldg. CA 2-1719  
Portland 4, Oregon

RICHMOND, VIRGINIA,  
OFFICE  
DONALD J. WILLIAMS  
2805 Laffin Pl., Apt. 6,  
Phone: 266-0205  
Richmond 28, Virginia

SAN ANTONIO OFFICE  
LYNN FOSTER  
Rt. 7, Box 269F, WA 3-7022  
San Antonio, Texas

WICHITA OFFICE  
NORMAN D. HAGLUND  
972 Country Acres, PA 2-3231  
Wichita, Kansas



## BITING INTO FOREIGN MARKETS

To give your commercial risks complete, packaged coverage when they expand abroad, call your Royal-Globe fieldman. He'll tell you about our Foreign Department and its facilities.

For instance, Royal-Globe writes insurance in 104 countries in 15 languages, and knowledgeably handles these transactions in 50 currencies. When claims occur, local people make the initial investigation — a distinct advantage. Royal-Globe handles this packaging as neatly and completely as it does domestic coverages.

Are any of your commercial risks biting into foreign markets?

**ROYAL-GLOBE**  
INSURANCE COMPANIES New York 38, New York

ROYAL INSURANCE COMPANY, LTD. • THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY LTD. • ROYAL INDEMNITY COMPANY • GLOBE INDEMNITY COMPANY • QUEEN INSURANCE COMPANY OF AMERICA • NEWARK INSURANCE COMPANY • AMERICAN AND FOREIGN INSURANCE COMPANY • THE BRITISH & FOREIGN MARINE INSURANCE COMPANY LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD.



## Conventions

- Aug. 6-10, Honorable Order of the Blue Goose, annual, Statler Hotel, New York City.
- Aug. 10-12, Louisiana mutual agents, annual, Edgewater Gulf Hotel, Edgewater, Park, Miss.
- Aug. 13-16, West Virginia agents, annual, The Greenbrier, White Sulphur Springs.
- Aug. 17-19, Texas mutual agents, annual, Texas Hotel, Ft. Worth.
- Aug. 20-22, Montana agents, annual, Finlen Hotel, Butte.
- Aug. 21-22, South Dakota agents, annual, Marvin Hughitt Hotel, Huron.
- Aug. 21-23, International Federation of Commercial Travelers Insurance Organizations, annual, La Fonda Hotel, Santa Fe, New Mexico.
- Sept. 6-8, Maine agents, annual, Samoset Hotel, Rockland.
- Sept. 7-9, New Jersey agents, annual, Traymore Hotel, Atlantic City.
- Sept. 7-9, New Mexico agents, annual, La Fonda Hotel, Santa Fe.
- Sept. 10-12, Kentucky mutual agents, annual, Kentucky Hotel, Louisville.
- Sept. 10-12, New Hampshire agents, annual, The Balsams, Dixville Notch.
- Sept. 11-12, Minnesota mutual agents, annual, Radisson Hotel, Minneapolis.
- Sept. 11-12, Utah agents, annual, Newhouse Hotel, Salt Lake City.
- Sept. 13-15, Minnesota agents, annual, Kahler Hotel, Rochester.
- Sept. 14-15, Conference of Mutual Casualty Companies, sales & agency conference, Conrad Hilton Hotel, Chicago.
- Sept. 14-16, Oregon agents, annual, Eugene Hotel, Eugene.
- Sept. 17-19, Indiana mutual agents, annual, Marrott Hotel, Indianapolis.
- Sept. 17-19, West Virginia mutual agents, annual, Frederick Hotel, Huntington.
- Sept. 17-20, Idaho agents, annual, Sun Valley Lodge, Sun Valley.
- Sept. 17-20, International Claim Assn., annual, The Greenbrier, White Sulphur Springs, W. Va.
- Sept. 18-19, Vermont agents, annual, Woodstock Inn, Woodstock.
- Sept. 18-20, Michigan agents, annual, Grand Hotel, Mackinac Island.
- Sept. 19-22, Mutual Loss Managers Conference, annual, Edgewater Beach Hotel, Chicago.
- Sept. 20-22, Kansas mutual agents, annual, Jayhawk Hotel, Topeka.
- Sept. 20-22, Washington agents, annual, Chinook Hotel, Yakima.
- Sept. 25-27, National Assn. of Insurance Agents, annual, Dallas, Texas.
- Sept. 27-29, Society of CPCU, annual, Sheraton Park Hotel, Washington, D. C.
- Oct. 1-4, National Assn. of Mutual Insurance Companies, annual, Statler Hotel, New York City.
- Oct. 3-5, Wisconsin agents, annual, Schroeder Hotel, Milwaukee.
- Oct. 5-6, New England mutual agents, annual, Wentworth-by-the-Sea, Portsmouth, N. H.
- Oct. 5-7, Arizona agents, annual, Bright Angel Lodge, Grand Canyon.
- Oct. 8-11, North Carolina agents, annual, Carolina Hotel, Pinehurst.
- Oct. 8-10, Missouri agents, annual, Governor Hotel, Jefferson City.
- Oct. 8-11, National Assn. of Casualty & Surety Agents and National Assn. of Casualty & Surety Executives, annual, The Greenbrier, White Sulphur Springs, W. Va.
- Oct. 10, Insurance Economics Society, annual, Edgewater Beach Hotel, Chicago.
- Oct. 15-18, National Assn. of Mutual Agents, annual, Sheraton-Cadillac Hotel, Detroit.
- Oct. 16, Rhode Island agents, annual, Sheraton Biltmore Hotel, Providence.
- Oct. 16-18, Michigan mutual agents, annual, Sheraton-Cadillac Hotel, Detroit.
- Oct. 17-18, Massachusetts agents, annual, Sheraton Plaza Hotel, Boston.
- Oct. 19-22, Colorado agents, annual, Broadmoor Hotel, Colorado Springs.
- Oct. 19-22, Kansas agents, annual, Broadview Hotel, Wichita.
- Oct. 22-24, Ohio agents, annual, Deshler Hilton Hotel, Columbus.
- Oct. 23-25, South Carolina agents, annual, Francis Marion Hotel, Charleston.
- Oct. 23-29, Hemispheric Insurance Conference, Lima, Peru.
- Oct. 25, National Independent Statistical Service, annual, La Salle Hotel, Chicago.
- Oct. 29-31, Insurers of Tennessee, annual, Andrew Jackson Hotel, Nashville.
- Oct. 30-Nov. 1, California agents, annual, Biltmore Hotel, Los Angeles.
- Nov. 5-7, Illinois agents, annual, Chase & Park Plaza Hotels, St. Louis, Mo.
- Nov. 13-14, Illinois mutual agents, annual, Pere Marquette Hotel, Peoria.
- Nov. 13-15, Health Insurance Assn., individual insurance forum, Sheraton Hotel, Philadelphia.
- Nov. 13-15, Mutual Insurance Technical Conference, Edgewater Beach Hotel, Chicago.
- Nov. 13-16, National Assn. of Independent Insurers, annual, Hotel Biltmore, Los Angeles.



## COATS & BURCHARD COMPANY

appraisers

- Appraisals for correct insurance coverage and proof of loss
- Depreciation studies
- Property ledgers

4413 RAVENSWOOD AVENUE • CHICAGO 40, ILLINOIS  
SERVICE — COAST TO COAST

## DIRECTORY OF RESPONSIBLE INDEPENDENT ADJUSTERS

### BREWER ADJUSTMENT COMPANY

Long Haul, Bus, Taxicab and Automobile Liability and Physical Damage—General Liability—Compensation—Fire  
RED ROCK BLDG., ATLANTA, GA., JA 3-2783  
BUSH BLDG., COLUMBUS, GA., FA 7-7096

### J. J. Kernaghan & Co. Ltd.

INSURANCE ADJUSTERS

WINNIPEG, MANITOBA, 128 PORTAGE AVE. EAST, TEL. WH 3-5476  
BRANDON, MANITOBA, 106 - 11TH STREET, TELEPHONE PA 9-4653  
KENORA, ONTARIO, 114 MAIN ST. SOUTH, TELEPHONE HQ 9-7229  
DRYDEN, ONTARIO, BOX 1552, TELEPHONE 217  
IN CANADA COVERING MANITOBA AND WESTERN ONTARIO  
ADJUSTING AND INVESTIGATING FOR COMPANIES ONLY

### RAYMOND N. POSTON, Inc.

159 S. W. 8th St.

Miami, Fla.



BRANCHES  
FT. LAUDERDALE  
LAKE WORTH  
KEY WEST

### RIEDER-GILLESPIE COMPANY

INSURANCE ADJUSTERS - ALL LINES

MIAMI (38) 9620 N. E. 2nd Ave., PL 9-6618  
FORT LAUDERDALE 325 S. E. 6th Street, JA 3-6472  
WEST PALM BEACH 125 Lakeview Ave., TE 3-3646  
MARATHON SHORES P.O. Box 3235, PH 743-5715

### SCOTT WETZEL CO. UTAH-IDAHO

INSURANCE ADJUSTERS

Home office—428 So. Main, Salt Lake City, Utah.  
Day or night offices: Ogden, Utah; Provo, Utah; Idaho Falls, Idaho; Pocatello, Idaho; Twin Falls, Idaho.

### MORRELL P. TOTTEN & COMPANY, Inc.

General Adjusters—All Lines

ALASKA	CALIFORNIA	OREGON
Anchorage	Eureka	Portland
Fairbanks	Fresno	WASHINGTON
Ketchikan	Los Angeles	Seattle
	San Francisco	Spokane



## Buswell Of America Fore Loyalty Retires

Frederic G. Buswell, vice-president of America Fore Loyalty has retired after 35 years of service. He was honored at a testimonial luncheon given by Chairman J. Victor Herd at the home office in New York. Guests included industry leaders with whom Mr. Buswell has worked closely during the years.

Mr. Buswell joined America Fore in 1926 as a staff adjuster in Newark. In 1954 he was appointed vice-president with direct supervision of the fire loss department at the home office. He is a member of the committee on losses and adjustments of New York Board and a member of the committee on adjustments of National Board.

## Marshall Of National Council Has Retired

Ralph M. Marshall of National Council on Compensation Insurance has retired. He began with the council in the actuarial department and was appointed assistant actuary in 1935. He is a fellow of Casualty Actuarial Society. His paper, "Workmen's Compensation Insurance Ratemaking," presented to the society aroused wide interest and required reprinting to meet requests. A 1961 revised edition recently has been made available.

Mr. Marshall served as secretary to the council's actuarial committee for a number of years and gave a great deal of time and effort to maintaining the caliber of actuarial techniques and procedures.

## Average Commission Plan Reduces Detail Work

Atlantic Mutual group is offering its agents an average commission rate plan as a means of reducing detail work involved in the flow of commission difference letters between agents and the collection department. The agent will get the same income from his book of business without the irritations of commission difference negotiations. The plan consists of averaging commissions the agent has placed with the group over the prior two years, with periodic adjustment to insure an accurate accounting.

## Hartford Raises Coats

Hartford Accident has appointed Douglas J. Coats office manager at Washington. He joined the company there in 1959 as a casualty underwriter.

## Finds For Insured In 'Collapse' Of Dwellings

The Louisiana court of appeals found for insured, whose residence in Caddo Parish sustained more than \$11,600 damage (the amount of the policy) as the result of expansion and contraction of the soil around the foundation. In so doing, the appeals court reversed a lower court verdict for the insurer. The case is *Anderson vs Indiana Lumbermens Mutual*, 10 CCH (Fire & Casualty) 899.

The policy covered collapse of building or any part thereof but in another section excluded loss caused directly or indirectly by earthquake or other earth movements except landslide. The company contended that the damage was not collapse and that in any event, the "other earth movements" exclusion applied.

The appeals court, citing several cases but particularly *Jenkins vs U. S. Fire*, a Kansas decision, held that what happened to the Anderson residence could be defined as collapse. It also rejected the insurer's contention that "earth movement" caused the damage and therefore the exclusion applied.

## Geo. F. Brown Organization Forms A Speakers Bureau

Geo. F. Brown & Sons, Chicago, has formed an insurance speakers bureau to serve agents' associations and other insurance groups.

The service will be available free to national, regional and state associations throughout the U.S., all local associations in Illinois and local associations within a reasonable distance from Chicago in Wisconsin, Michigan, Indiana and Iowa.

Participants in the bureau will be department managers and other executives in the Brown organization. They will be available to discuss any phase of the fire and casualty insurance industry.

Further information and a list of suggested subjects are available from Aubrey O. Cookman, 400 North Michigan Avenue, Chicago 11.

## Va. Views Self-Insurance

Virginia Advisory Legislative Council held a hearing on a proposed self-insurance plan for state property. A college student was the only witness to support the position that the state should insure its own property instead of relying on private insurers. Representatives of the insurance business asserted that such a move would be so costly to the state as to be impractical.

## SUPERIOR FACILITIES FOR HARD TO PLACE RISKS, SURPLUS & EXCESS LINES

Prompt Service On Quotes & Contract Delivery

**R. B. GUDDER, INC.**

201 South Central  
Parkview 6-1432

St. Louis 5, Mo.  
TWX #SL 991

Cable Address: Millbrook-St. Louis

**NOW!**  
**PREFERRED**  
**IS THE**  
**ONE**  
**STOP**  
**SOURCE**

## FOR MORE THAN 50 TYPES OF INSURANCE COVERAGE INCLUDING:

- MOBILEHOME • PLATE GLASS • RAIN INSURANCE • LIVESTOCK
- BURGLARY • HOME OWNERS • CONTACT LENS • OUTBOARD MOTORS
- PERSONAL PROPERTY FLOATER

### Service Offices in

Atlanta; Boston; Chicago; Detroit; Flint; Grand Rapids; Lansing; Lake Worth, Florida; Pueblo, Colorado; Dayton, Ohio; Dallas, Texas

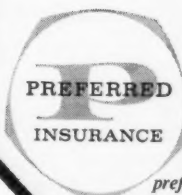
also

**Excess—Unusual Risks—Surplus**  
through our subsidiary  
**Southwestern Indemnity Company**

Write today to Dept. NU

**PREFERRED INSURANCE COMPANY**

Grand Rapids 1, Michigan



preferred by agents, too

## REINSURANCE EXCLUSIVELY

*Casualty • Fidelity*  
*Surety • Fire*  
*Marine • Allied Lines*

COMPLETE AMERICAN PROTECTION



**AMERICAN**  
**RE-INSURANCE COMPANY**

99 JOHN STREET, NEW YORK 38, N. Y.

*This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securities. The offering is made only by the Prospectus.*

NEW ISSUE

July 21, 1961

150,500 Shares

## The Hanover Insurance Company

(Into which Massachusetts Bonding and Insurance Company has been merged)

Capital Stock

Price \$44 per share

*Copies of the Prospectus may be obtained from any of the several underwriters only in States in which such underwriters are qualified to act as dealers in securities and in which the Prospectus may legally be distributed.*

The First Boston Corporation

R. W. Pressprich &amp; Co.

Blyth &amp; Co., Inc.

Glore, Forgan &amp; Co.

Kidder, Peabody &amp; Co.

Merrill Lynch, Pierce, Fenner &amp; Smith

White, Weld &amp; Co.

Francis I. duPont &amp; Co.

Tucker, Anthony &amp; R. L. Day

Shelby Cullom Davis &amp; Co.

R. S. Dickson &amp; Company

Estabrook &amp; Co.

John C. Legg &amp; Company

Lester, Ryons &amp; Co.

Stroud &amp; Company

## Southern Cal. Groups Initiate Recruitment, Employment Program

(CONTINUED FROM PAGE 11)

dustry; supervisory inadequacies increasing turnover; most of the offices are comparatively small, which precludes the use of professional personnel managers, and of many personnel techniques.

A three-phase program is recommended:

**Recruitment:** Enlist the aid of school counselors and placement officers; arrange opportunities for counselors to work in representative insurance offices during summer vacations; a speakers' bureau; participation in such professional societies as National Vocational Guidance Assn., Western College Placement Assn., local counselors groups, etc.; encourage employee participation in recruitment; offer to augment school faculties with skilled technicians from the industry; a public information and advertising program; take representative samplings of the attitude of teachers, counselors and students toward the idea of seeking employment in insurance. (This survey will tell which attitudes need to be changed, and, repeated periodically, would provide a measuring stick on the success of the program.)

**Employment:** Consider the merits of a central employment office, or of working arrangements with selected employment agencies; consider uniform employment application forms; consider preliminary psychological testing and skill testing; undertake a comprehensive review of salary structures; initiate a cooperative research program into how the employment process actually works and how it can be improved.

**Retention:** Recognizing that recruitment and employment programs

## Miss. Soybean Case Confirms Judicial Meaning Of 'Fire'

The Mississippi supreme court found in favor of insured in a case involving the destruction of a storage tank of soybeans. The issue was whether "fire" within the meaning of the policy had occurred. The case is described in 10 CCH (Fire & Casualty) 878.

Linwood Elevator Co., a public grain storage elevator located near Yazoo City, filed suit against Glens Falls for a loss that occurred when soybeans in one of the storage tanks on the elevator were destroyed, apparently through spontaneous combustion. The plant manager made several efforts to remove the beans to another tank, and in the course of these efforts discovered a large amount of ashes, coals, and burned beans.

### Tells Issues

The policy insured the Linwood Elevator Co. against "all direct loss by fire . . . to a stock of grain" on the company's premises. The issues were whether damage to the soybeans had been caused by fire, whether the insurer could be held liable for all the beans if they were destroyed partly by fire and partly by internal deterioration and combustion, whether the damage has been caused partly by neglect, and whether Linwood Elevator's claim was forfeited by false statement made to the insurer.

The latter two charges were sum-

will be worthless unless conditions of employment are attractive to the kinds of employees the industry wishes to keep, a study should be made to determine how work can be made challenging and satisfying to the employee; upgrade the professional status of underwriters and other key personnel; undertake cooperatively a management and supervisory training program, beginning in a modest way to provide education comparable to what American Institute of Banking provides in its field; take the pulse of representative groups of present employees, sampling attitudes toward such issues as salary, fringe benefits, work environment, communications, opportunities for advancement, etc.

## Service Guide

### O'TOOLE ASSOCIATES

Incorporated  
Management Consultants to  
Insurance Companies  
Established 1945  
220-02 Hempstead Avenue  
QUEENS VILLAGE 29, NEW YORK

### BOWLES, ANDREWS & TOWNE, Inc.

ACTUARIES  
MANAGEMENT CONSULTANTS  
LIFE—FIRE—CASUALTY  
EMPLOYEE BENEFIT PLANS  
RICHMOND ATLANTA NEW YORK  
PORTLAND DALLAS MIAMI

### CONFIDENTIAL NEGOTIATIONS FOR SALE OF INSURANCE COMPANIES

Ralph F. Colton  
30 N. LaSalle St. Chicago 2, Ill.  
Financial 6-9792

## SURPLUS LINE AGENTS

—IMMEDIATE

BINDING

FACILITIES—

Teletype unit installed in your office at our expense

to give you instant replies to your inquiries.

All lines of coverages—written in 20 year old company

\*Primary coverages in Pennsylvania

\* Surplus lines written through licensed agents in other states which permit non-admitted carriers to write liability coverages.

Fire

Fidelity and Surety

Comprehensive General

Automotive

Reinsurance

Excess Limits



Owners, Landlords, and Tenants Liability

Manufacturers and Contractors

Garage Liability

Liquor Liability

Retrospective Contracts

(a) Physical Damage

(b) Auto Liability

## EMPIRE MUTUAL INSURANCE COMPANY

1604 Walnut

Philadelphia, Pennsylvania

TWX # PH 1587

PHONE KINGSLEY 6-0480

marily  
operat  
save t  
system  
keeping  
mediat  
to mi  
held t  
false  
ation  
promp

Test  
with  
taneou  
opinio  
ken p  
ness f  
of the  
had n  
essary  
mitted  
curre  
the be  
have

Emple

Seve  
fied t  
and v  
seen  
ning  
over t  
ther t  
flowe  
sticki  
tank.  
up th  
down.  
white  
tank.  
said,  
out an  
there.

The  
sense  
the fi  
the lo  
ery m  
of da  
the co  
escape  
tingui  
natur  
cause  
verdi  
held.

Wa  
Johns  
peare  
Bridg  
Glens

Dan  
Phoe  
44 ye  
held  
ing d  
ing a  
trolle



marily dismissed. It was held that the operator used all reasonable means to save the beans by using the cooling system, theretofore successful in keeping the beans cool, and by immediately selling the burned beans to mitigate damages. It was further held that insured was not guilty of false swearing where an overvaluation of the damaged beans has been promptly amended.

Testifying for insured, a fire chief with experience of fires due to spontaneous combustion said that in his opinion spontaneous ignition had taken place. A consulting chemist, witness for the insurer, said that analysis of the charred beans showed that they had not reached the temperature necessary for ignition. However, he admitted that ignition could have occurred in foreign matter mixed with the beans and that this in turn could have ignited the beans.

#### Employees Testify

Several employees of insured testified that there had been great heat and visible fire. One said that he had seen fires of a size "betwixt a lightning bug and a cigarette" scattered over the surface of the beans. He further testified that after the beans had flowed out, there was a mass of them sticking to the bottom and sides of the tank. He stated, "They was cooked hard up there and they was hard to get down." Another employee described a white ash bank on the wall of the tank. "When I jugged in there," he said, "them white ashes would come out and I could see them sparks up in there."

The court held that in the legal sense fire had taken place, and that the fire had been the direct cause of the loss of the soybeans. Since recovery may be had if the dominant cause of damage is a risk insured against, the court found that insurer could not escape all but nominal liability by distinguishing between damage due to natural decay of the beans and that caused by actual ignition. The jury verdict of \$11,016 for insured was upheld.

Watkins & Eager, Jackson, and Johnson S. Holmes, Yazoo City, appeared for Linwood Elevator, and Bridgforth & Love, Yazoo City, for Glens Falls.

**Daniel J. McCarthy**, comptroller of Phoenix of Hartford, has retired after 44 years with the company. He had held several positions in the accounting department, specializing in auditing and taxes, and was named comptroller in 1946.

## Aetna Fire Reports Underwriting Loss

Aetna Fire reported net income of \$2,634,896 for the first six months of 1961 compared with \$4,649,215 for the first half of 1960. Losses increased more than \$5 million. The underwriting loss was \$1,662,234 compared with a gain of \$680,562 for the same period of 1960. Increased investment income and reduced expenses served to produce the net gain.

Written premiums were \$85,989,391, an increase of \$1,855,417. This produced an unearned premium reserve increase of \$3,382,867. Losses and loss expenses incurred amounted to \$51,516,263, up \$5,376,035. A substantial portion of this increase was due to an unusual number of wind and hail storm catastrophes throughout the country.

Investment income increased to \$4,250,205 from \$3,921,286. Assets stood at \$325,811,672 as of June 30, an increase of \$21,627,023. Policyholders surplus was \$109,854,414 at June 30, compared with \$96,970,811 a year before.

The earned-incurred loss ratio including all claim expense for the first six months was 62.3 compared with 58.2. The expense ratio was reduced from 38.5% to 38.1. The combined loss and expense ratio was 100.4 compared with 96.7 a year ago.

## Home Offers Excess Casualty Insurance

Home has formed an excess casualty lines department to provide a domestic market for such coverage. A. N. Christian is manager.

The new facility will concentrate on the development of standard excess casualty coverage for such risks as department stores, theaters, manufacturers, long haul trucking, and others. Certain risks, such as malpractice or primary liability on amusement parks, will be avoided.

## Changes At A.&A.

Kenneth W. S. Soubry, vice-president of the brokerage firm of Alexander & Alexander, has been appointed operating head of the New York office. John A. Bogardus, assistant vice-president, will succeed Mr. Soubry as manager of the production department at New York.

Mr. Soubry joined Alexander & Alexander in 1949 and became vice-president in 1960. Mr. Bogardus joined the firm in 1950.



## THE CENTRAL NATIONAL INSURANCE GROUP of OMAHA

Rated "Excellent" by Alfred M. Best Company, Inc.



### • THE CENTRAL NATIONAL INSURANCE COMPANY

An agency-minded Company for professional producers offering full, multiple line facilities with unique profit-sharing plans.



### • THE CENTRAL NATIONAL LIFE INSURANCE COMPANY

An aggressive, progressive facility with full Life, Accident and Health, and Group forms available on excellent, vested commission contracts.



### • THE PROTECTIVE NATIONAL INSURANCE COMPANY

The modern approach for finance accounts writing a large volume of business.

WRITE:

THE CENTRAL NATIONAL INSURANCE GROUP OF OMAHA

Central National Bldg. • Omaha, Nebraska

## GROUP SERVICE IN ONE COMPANY

"COVER-ALL POLICY" • FIRE  
EXTENDED COVERAGE • HOMEOWNERS  
AUTOMOBILE • ALL FORMS CASUALTY  
FIDELITY AND SURETY BONDS  
AVIATION  
WORLD-WIDE CLAIM SERVICE



AMERICAN FIRE AND CASUALTY COMPANY

HOME OFFICE • ORLANDO, FLORIDA

# reinsurance

intermediaries exclusively

FIRE • CASUALTY

## STUYVESANT INSURANCE COMPANY

established in New York in 1850



EXECUTIVE OFFICES 1105 HAMILTON STREET, ALLENTOWN, PA.

## How One Insurer Can Make Profit And Still Meet Competition

(CONTINUED FROM PAGE 2)

recognize the fundamental principles of this sometimes technical business. I have never endeavored to burn my way into a territory or into a position on a line or to buy volume at the expense of capital.

### Blames Management Decisions

A considerable part of the troubles of the business is attributable to insurance management decisions. This may invoke the displeasure of some of my good friends whose decisions these are. I have respect and very warm regard for the men directing the affairs of company organizations. At the same time I am distressed at the results which they report. I think it may be due to a willful disregard of facts and their technical interpretation, all in the interest of meeting real or imaginary competition. It's a vicious thing really when a company makes a mistake and another immediately follows to compound the mistake with the inevitable consequence that nobody gains—everybody loses. I could relate

a number of instances.

As to homeowners and commercial multiple peril, I was in that field at one time and had something to do with creating or at least adding to the mistakes. By combining covers and adding a few new ones for good measure, we reduced the price. We reasoned that by combining a number of documents into one there would be enormous expense savings. Of course, it followed that the heavily discounted additional hazards produced a lot of new claims to add to the usual ones. As for the expense of processing the very complicated policy form—it was awful. True, we had a product that was competitive but the underwriting experience had to be a deficit. In insurance, this kind of a mistake is apt to be expensive and very difficult to correct.

A rather classic fault, I think, exists in the safe driver rating plan. It seemed to me that the problem of the agency companies generally was largely in the expense ratio. The now leading automobile writers gained their

present stature not by extraordinary skill in risk selection but by attacking the expense side of the premium. The safe driver plan leaves that area unchanged. True, commissions were reduced, but that was not basic to the plan. Instead, it was to recapture business classified by underwriters as preferred. Yet most find impossible to identify preferred business "a priori" under any plan or circumstance. "Recaptured" suggested these companies once had "preferred" auto business. If that was the case during the 30 years that I have been around, the recollection fails me.

### High Expense Ratio

Before the big growth of the now leading underwriters we had some years of underwriting loss. Sometimes rates were adequate, often they were deficient. The problem was not that of an unsound rating plan but rather one of a high expense ratio which made the permissible loss ratio too low. It was this situation which, in my judgment, accounted for the growth of the companies that are now leading automobile insurance underwriters. They moved against the expense area and still do. The safe driver plan affords no benefit to the companies in that respect—indeed, I think it may very well be even more expensive to operate.

I think in automobile insurance the opportunity for underwriting profit from risk selection is very limited and the real opportunity for advantage lies in economical acquisition and administration. So operated, there seems to follow as a by-product rather better than usual loss experience. If the safe driver plan is in fact recapturing business, and it may be, there is no evidence in our figures to show it. Our volume continues to grow and our loss experience improves. I note no disturbance from others not using this rating plan but I do hear dissatisfaction expressed by law enforcement agencies and from the public generally. The latter reaction is the one that concerns us most. We are responsive to the view of the motoring public and as respects automobile insurance that response takes the form of providing protection by the means and in the forms by which the public is best served.

### Feel Operation Is Unique

Some of my many insurance friends feel that our operation is wholly unique. As a matter of fact it is. But we have no corner on the elements that combined to accomplish that position. It's really nothing more than the result of a well conceived objective accomplished by the great deal of hard work by some reasonably intelligent people favored by the good fortune that the judgment on many business problems turned out rather well. Our purposes remain constant and if it sounds corny, so be it, it is expressed in our promise to our insured to provide the best service, quality, and protection possible through our insurer. We continue to work hard

and if the good fortune which has attended our business decisions in the past holds, we find nothing about which to be gloomy either in the current situation or the foreseeable future.

### IM Interpretations

A number of states have amended the nationwide marine definition to include household appliance dealer policies. However, the committee on interpretation has ruled that a wholesaler dealing entirely in radios and TV sets does not come within the scope of the household appliance dealer designation.

The committee ruled that washing machines, gas dryers, coin meters, a water heater, and items of a similar nature usually found in a self-service laundry classify for inland marine coverage if there is a bona fide conditional sales contract or installment sales contract.

The committee has ruled that while the physicians' and surgeons' instrument floater cannot be used to cover furniture and fixtures of hospitals, clinics, and medical schools, the instruments of physicians and surgeons are covered while on the premises of a hospital, clinic or medical school.

Property about to become or that has become part of a specified road, overpass, bridge, tunnel or dam in course of construction may be insured under a builders' risk form.

Coverage of city-powered gas meters on the premises of customers has been classified as inland marine.

### Pacific Indemnity Names Button V-P

Richard S. Button, manager at Cincinnati, has been named a resident vice-president by the Pacific Indemnity group.

A member of the group for 11 years, Mr. Button has been manager at Cincinnati since 1958. He had previously served as assistant manager of the auto and casualty department at Los Angeles.

### Bartholomew Ltd. Formed At San Francisco

E. L. Bartholomew has formed Bartholomew Ltd. at 369 Pine Street, San Francisco, to underwrite primary and excess fire, casualty and all-risk business. It will have both Lloyd's and domestic capacity. No facilities are available for flat auto, fidelity, surety or workmen's compensation.

Mr. Bartholomew began in the business in 1948 with A. E. Wilson & Co., general agency at Toronto, eventually becoming claims supervisor. In 1951 he joined Swett & Crawford at Oakland as Lloyd's, excess and inland marine department manager. He was transferred to San Francisco in 1958 as assistant manager of new account development. He resigned from Swett & Crawford in April of this year.

Hartman & O'Meara agency of Cincinnati has opened a new downtown office in the Liberal Savings & Loan Building at Sixth and Vine Streets with W. Nelson Hartman as manager. The main office is located at 1020 Cross Lane.

**NOSKER EMPLOYMENT AGENCY**  
Insurance Specialists 34 Years  
California Positions  
Male—Female  
All Lines  
3055 Wilshire Blvd. Los Angeles 5

## WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.  
THE NATIONAL UNDERWRITER

### MARINE SPECIALIST—AGE 28-35

WITH MINIMUM FIVE YEARS EXPERIENCE IN COMMERCIAL INLAND AND WET MARINE. RESPONSIBILITIES WOULD INCLUDE UNDERWRITING, HANDLING AND DEVELOPMENT OF CORPORATE MARINE BUSINESS FOR LARGE METROPOLITAN AGENCY LOCATED IN MIDWEST. AN UNUSUAL OPPORTUNITY FOR MAN WITH CHARACTER, ABILITY, ENERGY AND PERSONALITY. SUBMIT COMPLETE RESUME IN CONFIDENCE TO Z-86, NATIONAL UNDERWRITER CO., 175 W. JACKSON BLVD., CHICAGO 4, ILLINOIS.

### SPECIAL AGENTS FOR ACCOUNT EXECUTIVES

We are looking for experienced special agents and account executives to represent large company producing automobile insurance. Now considering applications for Michigan, Wisconsin, Missouri, Kansas, Indiana and Illinois. Excellent opportunity for good earnings and advancement. Send resume to A-2, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### FLORIDA OPPORTUNITY

Multiple Line Agency Mutual Company interested in experienced insurance man to travel the State of Florida. Territory well developed. Good Company training program. Write Z-87, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### MANAGER FIRE UNDERWRITING DEPARTMENT WANTED

Texas based national multiple line Company needs top flight manager of home office Fire division. Prefer one with Southwest experience. Reply in confidence, giving resume to Z-98, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### AVAILABLE GEORGIA SPECIAL AGENT

Experienced Fire and Casualty Special Agent. Age 31. B.S. Degree. Write A-6, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### AGENCY PRINCIPAL

Desires Company affiliation. Multiple line experience. Heavy Fire Engineering background. Successful Sales record. Age 39. College Degree. Office. Prefer Ohio area. Write A-7, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### INSURANCE UNDERWRITING MANAGER

Progressive multiple line insurance company has real opportunity for Underwriter with heavy experience in Workmen's Compensation and General Liability lines, for executive job in Texas Home Office. Good starting salary, fringe benefits, and working conditions. Our office knows of this ad. Reply Box A-8, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### ACCOUNTING MACHINE For Sale

National Cash Register Accounting Machine Model 32-10-10(38x)26-SP, cost \$5,400; plus 2 trays, 2 indexes, posting binder and 4 bars. Total cost with all extras \$6,900.

Will sell for \$3,000 with all extras at our office. Florida Airmotive, 2633 Lantana Road, Lantana, Florida.

### FIRE PROTECTION ENGINEER

needed by expanding Chicago Metropolitan Agency. Rating Bureau experience preferred. Age to 35. Salary and opportunity excellent. Write A-9, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED—CHICAGO AREA

Young woman to take charge of insurance department. Knowledge of all Casualty lines including bookkeeping procedure. Reply to A-10, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### POSITION WANTED Claims Adjuster or Supervisor

Fire—Allied lines. 7 yrs. bureau experience. Family man, age 36, good health. College background—some law. Central Ohio area preferred. Write A-12, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### AGENCY WANTED

Young midwestern agent desires to relocate in west. Desires to purchase agency on cash basis or join agency with man nearing retirement with future purchase in mind. Arizona & Colorado preferred but will accept any state west of Mississippi. Write Box A-13, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### INSURANCE COMPANY STATE AGENT

Multiple Line, A rated Insurance Company expanding operations to Indiana. Need experienced, aggressive fieldman for development, with full branch office operation ultimate aim. A real opportunity for a qualified man with agency contacts and familiar with state rules, rates, and coverages. Salary open. Contact Personnel Dept. Commercial Standard Insurance Company, P. O. Box 12216, Fort Worth, Texas, by letter only. Enclose photograph if available.



## Asks Tax Incentive For Health Cover

(CONTINUED FROM PAGE 1)

logical for any new incentive to go to the person paying for the health protection. Ordinarily, this would be the aged individual himself, a son or daughter or other near relative, or a past or present employer. For the plan to be really effective in the case of a relative, the incentive would need to be made available without regard to the concept of dependency in the existing law, since a fundamental aim would be to prevent dependency by encouraging the advance purchase of insurance protection for aged individuals. However, Congress would have to consider whether to make a tax incentive available in the absence of some traditional or family relationship.

### Some Qualifying Requirements

As to the type of qualifying requirements that might surround such a tax incentive, Mr. Dodson said Congress would no doubt want to consider limits on the income of the aged individual beyond which the incentive would not apply. Also Congress might wish to confine any new tax incentive to health insurance that would provide at least a predeter-

mined level of benefits.

So far as administration is concerned, Congress might wish to provide that the insuring organization would issue to the purchaser an income tax form similar to the present form W-2. On this form the insurer would certify that the coverage in force met the qualifying requirements for the tax incentive. The purchaser, in turn, would attach the form to his income tax return in order to receive the incentive.

### Should Subtract From Tax

Mr. Dodson said the two life associations believe the most appropriate incentive would take the form of a tax credit, a direct subtraction from the income tax otherwise payable.

This approach would be of greater benefit to those in the lower or middle income brackets, among whom a more rapid insurance coverage could be expected.

"In the case of a tax credit approach, there would be a further matter of determining whether the credit should be a percentage of the cost of the protection or a fixed dollar amount," Mr. Dodson commented. "Because a percentage-type credit would permit the individual who could afford the most expensive policy to get the largest tax reduction, Congress might prefer a flat dollar amount. Such an amount should surely not exceed an estimate of the cost of the minimum qualifying benefits for the tax credit."

"From our committee's explorations, we believe that a tax incentive plan adequate to provide effective incentives for a rapid expansion of health insurance coverage among our older citizens could be developed at a cost of perhaps one-quarter the cost of HR 4222 [the pending social security measure]. The cost of new tax incentives would, of course, fall on general revenue taxpayers rather than social security taxpayers. However, an increase in social security taxes itself tends to reduce general revenues. Moreover, considering the high schedule of social security taxes already in the law, a small decrease in general revenues would be clearly preferable to still further increases in social security taxes."

### 'Conn. 65' Plan Described

The "Connecticut 65" plan for those able to afford it plus the benefits provided by the Kerr-Mills act for those who can't "can function in a manner which will obviate the need for additional social legislation," the ways and means committee was told by William N. Seery, vice-president of Travelers and chairman of the executive committee of Assn. of Connecticut Health Insurance Companies, which administers the Connecticut 65 plan.

"We have been heartened by the widespread and intense interest in our first-time experiment on the part of many individuals and organizations throughout the United States and Canada," he said. "This interest has come from such organizations as hospital and convalescent hospital associations, state insurance commissioners and other state officials, and other health insurers, as well as from many individuals."

After explaining how the Connecticut 65 plan works, Mr. Seery said:

"We are convinced that large numbers of Connecticut's elderly will be able to afford this coverage, because of the discussions surrounding another bill passed by our Connecticut general assembly this year, taking advantage

of the federal legislation enacted last September and known as the Kerr-Mills act. It has been estimated that approximately 37,000 of Connecticut's 242,000 population 65 and over will be eligible for Kerr-Mills aid. We think it is clear that the two systems—private and voluntary on the one hand and public and tax-supported on the other hand—can function in a manner which will obviate the need for additional social legislation in this area."

## Employers Mutuals Rename R. E. Dvorak To N. Y. Resident V-P Post

R. E. Dvorak has been renamed New York office resident vice-president for Employers Mutuals of Wausau. He succeeds Dale Snure, deceased.

Mr. Dvorak, who held the same position before being named resident vice-president of Employers Mutuals' branch office in Wausau, has been with the company since 1935. Before his appointment as New York resident vice-president, he was that branch's sales manager and had worked in various capacities with Employers Mutuals' branch offices in Wausau, Milwaukee, Pittsburgh, Nashville, Knoxville and Atlanta.

## Wolverine Markets Package Cover For Service Stations

Wolverine of Battle Creek has introduced a new multiple peril policy in the service station field. Coverages include fire and lightning, EC, vandalism and malicious mischief, loss of earnings, burglary and robbery, comprehensive building glass, broad form auto liability and physical damage, contractual and fire and explosion lease liability, plus premises and operations liability, product liability, auto non-ownership liability, medical payment, hoist and collision damage to customer's cars, garagekeepers lease liability.

Service station owners and operators may budget their insurance cost by the month. The insured will also know exactly what his coverage will cost him because the policy is written for one or three years with no audit. Wolverine is advertising the policy in leading service station trade magazines.

The Agan and Aldrich agencies of Westfield, Mass., have merged. A. J. Agan will be chairman. Norman T. Aldrich has retired but will continue as an adviser.



"WANDA"

### Wohlreich & Anderson Ltd.

B. J. Daenzer  
President

55 JOHN STREET  
NEW YORK, N. Y.  
DIGBY 9-3020

### DO IT YOURSELF KIT FOR "ALL RISK"

Building—Contents—U. & O.  
All Perils Included  
Flood—Earthquake—  
Burglary—Water Damage—  
Collapse—Transit

"Wanda" will help you design a cover to fit your clients' needs. All Risk protection available for principal and "other" locations.

Written as First Loss, Full Cover or Parasol. Deductibles of your choice from \$250 up. "Wanda" know-how is available to all Brokers and Agents.

Please give me full information on your facilities. NU-4

Name .....

Address .....

City .....

Phone .....

Mail to "WANDA"  
55 John Street, N.Y.C.  
"Wanda solves your problems"

EASY  
DOES  
IT!



Settling fire loss claims the easy way builds client confidence and paves the way to increased sales. And the easy way is all but automatic, once your client acts on your recommendation to have a professional, provable appraisal of the insured property done by American Appraisal, before fire strikes.

With that in hand, there's never any question or concern about what was covered, the extent of loss or damage, or its current-dollar value. A note or call to one of our 19 district offices will promptly bring you complete information about our services and their application to insurance situations.

THE AMERICAN APPRAISAL COMPANY

Home Office: 525 E. Michigan St., Milwaukee 1, Wisconsin  
Established 1896—World's Recognized Appraisal Authority

Atlanta  
Baltimore  
Boston  
Butte  
Chicago  
Cincinnati  
Cleveland  
Dallas  
Detroit  
San Francisco

Fort Lauderdale  
Kansas City  
Los Angeles  
New Orleans  
New York  
Philadelphia  
Pittsburgh  
St. Louis  
Toronto

also:  
Canadian Appraisal Company, Ltd.  
Montreal and Toronto, Canada.

## PRITCHARD AND BAIRD

REINSURANCE

Consultants and Intermediaries

Fully prepared through long experience to serve intelligently those Underwriters who demand the best.

"WE ARE WHAT WE DO"

123 William Street, New York 38, N. Y.

WO 4-1981

"SERVICE THAT SATISFIES"

ALLEN, MONTGOMERY & THATCHER

INSURANCE PAYROLL AUDITORS and INSPECTORS

3423 FULLERTON AVE.

CHICAGO 47

## Editorial Comment

### After The Talk Is Over

In the past, many business firms have taken employee attitude surveys just to find out "what the situation is." After finding out, some of these companies did nothing further. Thus they wound up with considerable expense and nothing to show for it but a file full of employee comments about the company, some of which would better have been left unexpressed.

A recent study by National Industrial Conference Board indicates that many firms have finally concluded that unless an employee-attitude survey is followed up intelligently and thoroughly, the project has little value. Of the 155 companies studied, 75% have made employee surveys since 1955. It was found that few companies today make employee surveys just out of idle curiosity, and the decision to proceed is not apt to be taken without due deliberation. The discussion on making the survey almost always extends to the question of follow-through. Of the 155 companies supplying information for the study, 145 decided in advance that they would "do something" about the findings, if action was indicated.

The study notes that the decision committing management to action where indicated establishes the importance of the undertaking. The viewpoint of those directing the survey and those participating in it becomes "different." Everyone knows the survey is serious business.

However, even where management has committed itself to action, companies may show inertia in moving from the findings into action—from the talking to the doing. One technique many companies use is to get a number of persons directly involved in the work. Another is for management to make a public statement about some intended action. Dramatic action by management in acting on some matter that employees will recognize as related to a survey finding is also effective. For example, a company may install new lights in

an area long in need of better illumination.

State Farm Mutual took an employee attitude survey by regions in 1959 and followed through to cash in on the findings. Department heads counseled with each supervisor regarding the way his employees responded in the survey. In this counselling, the objective of the survey was reemphasized. This was followed by discussion of areas of favorable response and of those needing attention. Finally, a plan of action was outlined.

Supervisors were assured that results would be used to help them and would not in any way jeopardize their jobs or be placed in personnel records. The findings were regarded and used as privileged data to help supervisors improve as leaders.

State Farm asked its regional officers to report all corrective action taken as a result of problems uncovered in the survey. One problem area lay in employee requests for more information about company philosophy, plans and goals. Many actions were reported. The company's educational consultant analyzed communication needs and conducted classes for supervisors. Supervisors were invited to regional office staff meetings where they gained more insight into company affairs and thus could pass information on more intelligently to employees. Management representatives were made available for discussions on plans and goals. Unit meetings were stepped up, and more use was made of conference rooms for this purpose. All supervisors began to hold weekly meetings with their units. Minutes were kept and distributed to other supervisors, superintendents and to managers. Certain company publications were reviewed with employees and now are being routed to them. Finally, the company's employee orientation program was revised.

Such action justifies the investment in an employee attitude survey. But inertia or endless and aimless confabs

among members of management as to what if anything they should do about "soft spots" revealed in a study, is one of the costliest and least rewarding exercises. Lack of follow-through, in fact, aggravates underlying grievances brought to light.

Perhaps this thought was best ex-

pressed by Malcolm P. McNair in the Harvard Business Review: "To look is one thing. To see what you look at is another. To understand what you see is a third. To learn from what you understand is still something else. But to act on what you learn is all that really matters, isn't it?"—J. N. C.

## Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT

Cartwright, Valteau & Co., Board of Trade Building, Chicago

The insurance shares market stabilized at the close of the week following a spell of profit taking among several leaders. Conn. General was down 10 on the week after an 8 point drop the previous week; Franklin Life slid 1½ more but Great American Life Underwriters, which owns some 20 shares of Franklin for each G. A. L. U. share, continued strong at 1,625 bid. The federal appellate court at Philadelphia threw out the action by a stockholder seeking to nullify the SEC ruling that G. A. L. U. should be treated as a regulated investment company. Should this end the litigation, G. A. L. U.'s previous intention to split its shares will certainly be executed. A 5 for one split was originally announced, but some think it may now go as high as 10 for one which would mean two Franklin shares for each G. A. L. U.

Lincoln National closed Friday at 134 bid, down one point for the week after earlier in the week having dropped to 128. U. S. Life was off 1½. Business Men's Assurance never faltered and was a point higher at 79. Ohio State Life dropped four points to 47 bid.

Gulf was a strong spot reaching 33½ bid. Northwestern National Life was also sought after and sold as high as 44. Piedmont Southern Life, which is so richly endowed with common stock investments, got up to 75 bid. Travelers was down about 3 while Aetna Life held its ground.

— || —

Despite the sharp upthrust on the Big Board, fire-casualty issues whose assets and surplus were swelled thereby were sluggish market performers. The prospect of disconsolate six-month figures and the presence of the hurricane season are deterrents. Continental Casualty, which declined from 109 to 99½ attracted buying and closed at 103 bid, virtually unchanged for the week. Aetna Fire was down 3, Boston, National Union and North River minus 1, Federal off 1½, Phoenix less 2½. On the plus side were Aetna Casualty, up 1; Employers Group 3; General Reinsurance 4; New Hampshire 1½; Pacific Indemnity 1. The Meserole companies announced dividend increases Friday and the shares of Pacific, Bankers & Shippers and Jersey closed on the bid side that day. Even with the increase these companies will be paying out only about 50% of investment income.

— || —

National Reserve Life which had sold down from 200 to 165 moved back up to 195. The selloff came when the management circularized stockholders offering to exchange up to 3,000 shares for a new class of preferred stock carrying a \$5 annual dividend. This commencing in 1966 will be callable at \$100 through 1981. It is understood that the full 3,000 allotment was exchanged, so that common capital now consists of 39,000 shares of \$10 par.

— || —

Hanover Insurance following the offering of 150,500 new shares by First Boston Corp. at 44, moved up in the market to 45½ bid. With a \$2.20 dividend, the yield caught the fancy of individuals and institutions seeking reliable income.

St. Paul F. & M. is scrutinized in the July 27 Commercial & Financial Chronicle. St. Paul has emphasized tax-exempt bonds and common stocks over the years, with municipal bonds now comprising the unusually high percentage to assets of 46.5. Interest yields from 1960 bond purchases reached 4.76. About two-thirds of the common stocks are utilities which have appreciated substantially. More recently St. Paul has emphasized growth stocks with 1960 buying that

## THE NATIONAL UNDERWRITER

The National Weekly Newspaper  
of Fire and Casualty Insurance



Published by  
The National Underwriter Co.

### EDITORIAL OFFICE

17 John St., New York 38, N. Y.  
Tel. BEckman 3-3958 TWX NY 1-3080  
Kenneth O. Force, Executive Editor  
John N. Cosgrove, Associate Editor  
Jud Higgins, Assistant Editor  
**CHICAGO EDITORIAL OFFICE**  
175 W. Jackson Blvd., Chicago 4, Ill.  
Tel. Wabash 2-2704 TWX CG 654  
John C. Burridge, Managing Editor  
Richard G. Ebel, William Faltyssek and  
R. R. Cusaden, Assistant Editors  
Marjorie Freed and  
Barbara Swisher, Editorial Assistants

### OFFICERS

John Z. Herschede, President  
Louis H. Martin, Vice-President  
Kenneth O. Force, Vice-President  
H. P. Gravengaard, Vice-President  
Robert B. Mitchell, Vice-President  
George C. Roeding, Vice-President  
James C. O'Connor, Secretary  
Joseph T. Maloney, Treasurer

### ADVERTISING OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.  
Tel. Wabash 2-2704 TWX CG 654  
Raymond J. O'Brien, Advertising Manager

### BUSINESS OFFICE

Charles P. Woods, Sales Director  
420 E. Fourth St., Cincinnati 2, Ohio

### REGIONAL SALES MANAGER

Fred Baker, Atlanta  
Paul Blesi, Cleveland  
Alfred E. Cadis, Dallas  
David Chapman, Des Moines  
William J. Gessing, Detroit  
Clarence W. Hammel, New York  
Roy H. Lang, Boston  
James E. McSurely Jr., New York  
Howard J. Meyer, Minneapolis  
William D. O'Connell, Chicago  
Raymond W. Rieke Jr., Los Angeles  
George C. Roeding, Cincinnati  
A. J. Wheeler, Chicago  
Ronald W. Taylor, Boston  
Robert J. Wiegand, Chicago  
George E. Wohlgenuth, St. Louis  
Willis H. Yocum, Denver  
Robert I. Zoll, Philadelphia

## Association Formed By Mass. Special Brokers

Massachusetts surplus lines brokers have formed Massachusetts Special Brokers Assn. Of immediate interest to the group is the recent revision by the Massachusetts department of the affidavit law, which permits regularly licensed brokers to place surplus business with special brokers and be compensated for their services.

Maurice Saval of Boston was named chairman of the organization and Joseph Duffy of O'Brien, Russell & Co., Boston, secretary.

William D. Hammersla, chief auditor, has been advanced by General of Seattle to assistant secretary and assistant controller. He has been with General in accounting positions for seven years.

Thomas J. Sullivan has been elected director and secretary of Wm. B. Joyce & Co., New York brokers.

SUBSCRIPTIONS: 420 E. Fourth St., Cincinnati 2. \$7.50 per year (3 years, \$20); Canada \$8.50 per year (3 years, \$23); Foreign \$9 per year (3 years, \$24.50). 30 cents per copy, back copies 50 cents. CHANGE OF ADDRESS: Enclose mailing wrapper and Post Office form 3579 with new address, and allow three weeks for completion of the change.



included Polaroid, Haloid-Xerox, Harcourt Brace, Corning Glass and Am. Home products. St. Paul has paid a higher cash dividend each year since 1946. St. Paul's shares have participated fully in the 1960-61 bull market in insurance stocks, the author says.

Republic National quickly recovered from the selloff spell and added 3 points for the week, Am. General was plus one, Combined minus 5, Nationwide up 1½, Southwestern Life, off 3, Aetna Casualty added a point, as did Bankers National Life, Eastern Life went up 3½, Liberty National Life was 1½ higher, Philadelphia Life plus 3.

— || —

Insurance Securities Trust Fund of San Francisco reports that as of June 30, 1961, market value of its securities totaled \$654,796,983. The cost was \$363,743,210. There are 91 issues that are owned. One new name has been added since December 31, this being Volunteer State Life. The market value of the fire-casualty stocks owned was \$434,240,317 and life \$220,556,666. At December 31, the market value of the securities owned was \$484,193,856, so the enhancement to June 30 is \$170,603,127. Incidentally, in reporting on the first quarter results of fire-casualty companies in the portfolio mention was made of Home Insurance of Hawaii. I.S.T.F. does not own this stock but included its experience because apparently it is on its "buy" list.

Life Insurance Investors Inc., scored highest in the Wiesenberger study among growth appreciation funds for the first six months of 1961. L.I.I. recorded a 44% advance in share value during that period. Century Shares Trust (90% invested in insurance stocks and 10% in banks) scored first for this period among growth-income funds with an advance of 28%.

Quaker City Life announces that arrangements have been made for its Virginia agents to place business with a Virginia fire insurance company. A similar contract has been in force with a Pennsylvania company for Pennsylvania agents.

## Deaths

**PAUL E. RUDD**, retired Wisconsin field man of Aetna Fire, died at Clearwater, Fla., of a heart attack. He was a former grand welder of Blue Goose. Mr. Rudd's insurance career started in 1901 with a local agency in Indiana. Later he joined a general agency and traveled Indiana, Illinois, Ohio and Michigan. In 1907, he went with Aetna Fire as special agent in Indiana, going to Ohio in 1910 and to Wisconsin as state agent in 1913. He was a past president of Wisconsin Field Club, an officer of Wisconsin Fire Prevention Assn. and active for 54 years in the affairs of Blue Goose. He joined the order in 1907 and served as grand welder from 1916 to 1931. Later he compiled a history of Blue Goose that was published on the occasion of the 50th anniversary in 1956.

**NORMAN F. CHARLOCK**, 77, president of the New York brokerage firm bearing his name, died at his home in Elizabeth, N. J. He founded his organization in 1927. Mr. Charlock was official broker for the Spanish government during World War I and for the British War Relief in World War II.

**HORACE H. HOLCOMB Jr.**, 57, president of the Chicago brokerage agency bearing his name in the Insurance Exchange Building, died in Hinsdale (Ill.) Sanitarium and Hospital. He had been a lifelong resident of

the Chicago suburb. He founded the agency more than 30 years ago following graduation from the University of Wisconsin. His two sons, Horace H. III and John C., who have been active in the agency, will continue the business.

**CURTIS REED**, 61, local agent at Baton Rouge, La., died.

**MARSHALL DUDLEY**, 50, vice-president and treasurer Cloyd, Gielow & Dudley agency of Chicago, died of a heart attack. He had been in the business 25 years, joining the agency in 1952 when his father, Laurence H., one of the co-founders, retired. He had been a broker until that time.

## Combined Of Chicago Names Cleary Counsel

Joseph B. Cleary has been appointed counsel of Combined of Chicago. He has been corporation attorney and assistant to the chairman of Helene Curtis Industries, and previously was senior editor of the Legal Periodical Digest, the Insurance Law Journal, the Labor Law Journal, and Taxes. q

## Stocks

By H. W. Cornelius of Bacon, Whipple & Co.  
135 S. LaSalle St., Chicago, Aug. 1, 1961

	Bid	Asked
Aetna Casualty .....	135	140
Aetna Fire .....	117½	119½
American Equitable .....	22	23½
American, Newark .....	31	32
American Motorists .....	22½	25
Boston .....	35	36½
Continental Casualty .....	103	105
Crum & Forster .....	94	98
Federal .....	73½	75
Fireman's Fund .....	65½	66½
General Re. ....	145	Bid
Glens Falls .....	42½	44
Great American .....	55	56
Hartford Fire .....	71	73
Hanover .....	45	46
Home of N.Y. ....	57	58
Ins. Co. of No. America .....	101½	104
Jersey Ins. ....	37	Bid
Maryland Casualty .....	41½	42½
National Fire .....	135	140
National Union .....	45½	47
New Hampshire .....	58½	60½
North River .....	45	47
Ohio Casualty .....	28½	30
Phoenix, Conn. ....	108	110
Prov. Wash. ....	23	24
Reins Corp. of N.Y. ....	23	25
Reliance .....	59½	61
St. Paul F. & M. ....	76½	78
Springfield F. & M. ....	37½	39
Travelers .....	137	139
U.S.F. & G. ....	58½	60

## Plans Completed For W. Va. Convention

"This is Your Business" is the theme of the 62nd annual meeting of West Virginia Assn. of Insurance Agents Aug. 13-15 at White Sulphur Springs.

Bradford Smith Jr., president of North America; H.H. Nelson of Council Bluffs, member of the executive committee of NAIA; E.A. Toale, secretary of Recording & Statistical Corp., New York; Franklin E. Schaffer, vice-president of the New York advertising agency of Doremus & Co., and Phillips Huston of Rough Notes Co. will appear on the program.

In addition, the insurance commissioner, Mrs. Virginia Mae Brown, and Daniel Wells Jr. of Bluefield, attorney and a member of the house of delegates, will talk.

Ladies activities and golf and bridge tournaments will highlight the social events. The meeting will conclude with a dinner dance, at which Commissioner Brown will install the new officers.

## Sealy In For Goldenbogen

Edwin J. Sealy, Davis & Disette, has been named a trustee of Insurance Board of Cleveland to fill out the term of Paul R. Goldenbogen, past president, who has resigned.

Mr. Sealy has long been active in board affairs. He is chairman of the committee on liability and surety cov-

## Northeastern Fire Starts Operations

Northeastern Fire has begun operations from its head office in Scranton, Pa. It has \$100,000 capital and \$100,000 surplus and plans in the immediate future to issue \$300,000 additional stock to be sold to local agents. Presently it is writing only fire and allied lines but intends to become fully multiple line in the near future.



David A. Black

James Clauss, local agent at Olyphant, Pa., is president of Northeastern Fire. David A. Black, executive vice-president and insurance operating head of the company, formerly was with Ohio Farmers. He joined that company in the eastern regional office as a fire underwriter in 1952 and subsequently became special agent in charge of eastern Pennsylvania. He was awarded the Valentine trophy by Ohio Farmers for his field performance in 1960.

John Ruddy, treasurer of Northeastern, is an agent at Dunmore, Pa.

Mr. Sealy has long been active in board affairs. He is chairman of the committee on liability and surety cov-

erages and is a past president of the Cleveland chapter of CPU.

## SUPERIOR FACILITIES

.... available only  
to Excess and Surplus  
Lines Brokers

South America Managers, Inc.

3 Penn Center Plaza  
Philadelphia 2, Penn.

LOcust 8-7730 • TWX-PH 1257

## NORWICH SCOTTISH GROUP

NORWICH UNION FIRE INSURANCE  
SOCIETY LTD.

THE FIRE COMPANY  
OF NEW YORK

SCOTTISH UNION AND NATIONAL  
INSURANCE COMPANY

AMERICAN UNION INSURANCE  
COMPANY OF NEW YORK

Administrative Office  
HARTFORD 2, CONNECTICUT

## 45 YEARS OF SERVICE—



1917

1961

PREFERRED FIRE INSURANCE COMPANY

A MULTIPLE LINE COMPANY • TOPEKA, KANSAS



Home office and Chicago service office personnel snapped in Chicago with some of the valuable prizes being offered in North America's summer promotion program. From left; Rayond Breuer, manager Life of North America; Thomas Chandler, agency superintendent (home office); and Sam McGoun, manager North America.



## Rogers Secretary Of British Group

Commercial Union-North British has elected Wayne Rogers secretary. After being transferred to the home office, he will assume executive duties in the production division.

Mr. Rogers joined the group in 1950 and was successively special agent at Houston, San Antonio and Dallas. In 1956 he was named manager of the Texas service office.

## Two Managers Named By Maryland Casualty

Maryland Casualty has named William J. Monahan manager of the fire and marine division, under supervision of P. C. Chrysler, vice-president in charge of fire and marine operations. William R. Kearns succeeds Mr. Monahan as manager of the fire department.

Mr. Monahan joined the company in 1955 and has been manager of the fire department for four years. Prior to that he had 20 years in field and rating work.

## Half For Hartford Steam Boiler Good

Hartford Steam Boiler has reported an underwriting profit of \$1,011,104 in the first half of 1961 an increase from \$394,861 for the same period in 1960. Premiums written were \$13,494,048, down from \$14,426,147 in the first half of 1960. As of June 30, 1961, policyholders surplus was \$41,961,305, a rise of \$3,031,622 since Dec. 31, 1960.

The 21.7 loss ratio for the period was down from 26.2 for the same period in 1960. Net investment income after taxes was \$1,033,525, a gain of \$70,315 over the first six months of 1960.

## Insurance Stock Bid Prices Given As Of July 31

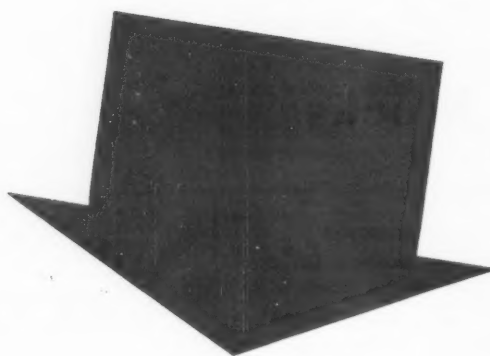
(CONTINUED FROM PAGE 2)

	12/30/60	6/30/61	7/31/61
Pacific	55	56 1/2	58
Pacific Indemnity	33	35 1/2	38 1/2
Pacific National Life	15 3/4	25 1/2	26 1/4
Peerless	22 1/4	26 1/2	27 1/4
Peninsular Life	37 1/2	4 1/4	5 3/4
Peoples Life	29 1/2	38	41
Philadelphia Life	49 1/2	75	91
Piedmont Southern Life	59	69	75
Phoenix	83	102	108
Postal Life	16	23	28
Protective Life	36	48	54 1/2
Prov. Washington	18 1/2	22 1/4	23
Prov. Life & Acc.	81	140	150
Quaker City Life	41 3/4	58	60 3/4
Reinsurance Corp.	21 1/2	23 1/2	23 1/2
Reliance	53 1/2	63 1/4	59 1/2
Republic	27	32 1/2	33
Republic National Life	33 1/2	70	71 1/2
St. Paul F.&M.	61	71	76 1/2
Seaboard Surety	39	42	42
Security	55	66	75
Security Life & Acc.	33	65 1/2	70
Security Life & Trust	41 1/4	55	63
Southland Life	88	113	135
Southwestern Life	53	92	96
Springfield	33	36 1/2	37 1/2
Standard Life, Ind.	49 1/2	59	63
Transamerica	26 1/2	34	37 1/4
Travelers	93	122 3/4	138 1/4
Trinity Universal	31	34 1/2	38
Truck Underwriters	28	36	36
United	32	54	56 3/4
United Pacific Corp.	18	28 1/2	29 1/2
United Services Life	40	97	106
U.S.F.&G.	41 3/4	57 3/4	58 1/2
U.S. Fire	30 1/2	35 1/2	35
U.S. Life	34	70	75
Universal	28 1/4	27 1/4	27 1/2
Variable Annuity Life	8 3/4	11 1/2	11 1/4
Victory Life	94	100	101
Volunteer State Life	57	70	69
Wash. National	36	57 1/2	63
West Coast Life	31	48	49
Westchester Fire	33 1/2	38 3/4	39 1/4
Western Cas.	38 3/4	56	55
Wisconsin Natl. Life	28 1/2	36 1/2	43 1/2
* Owns Home Life, Pa.			
† Owns United Pacific Ins.			

# ... EXCESS LIABILITY?

TRUCKS, AUTOS, GENERAL LIABILITY, PRODUCTS, PROFESSIONAL

Here's the Place!



**ILLINOIS R.B. JONES Inc.**

C. Reid Cloon  
Chairman

Jay W. Gleason, C.P.C.U.  
President

EXCESS LIABILITY ANY NATURE • FIRE AND ALLIED COVERAGES • O&T, PRODUCTS AND ALL FORMS OF LIABILITY INSURANCE • MALPRACTICE LIABILITY • GROUP ACCIDENT & SICKNESS OVER-AGE PERSONAL ACCIDENT • EXCESS MOTOR TRUCK CARGO • INLAND MARINE • REINSURANCE

175 West Jackson Boulevard • Chicago 4, Illinois • WABash 2-8544

Teletype: CG 1301

Cable: JONESSON-CHICAGO



## Newhouse & Hawley Names O'Donnell At Chicago

Philip E. O'Donnell has joined Newhouse & Hawley and will specialize in underwriting special and unusual casualty risks and participate in production activities. He was formerly for 15 years with the Kemper group, the last four as vice-president of Excess Underwriters, the Kemper excess and surplus line subsidiary.



P. F. O'Donnell

## Pacific, N. Y., Dividend Up

Pacific of New York group has increased quarterly dividends on Pacific and on Bankers & Shippers from 60 to 65 cents a share. The semi-annual dividend on Jersey has been increased from 77 to 82 cents. Both increases are payable Aug. 15.

Zurich has made a 15% rate reduction for homeowners policy forms #1, 2, 3, and 4 in Minnesota. Other rules and minimum premiums are not affected by the reduction and homeowners #5 rates will remain the same.

Mort Inc. o inently gram interest ted by olis. A the res United and b verified record close s ments other United as an ness i two yo license United is sub icism busine that g cent of invest Found

Broker and M torney C. Br Line T. Per ing; M of Me Lloyd Gerber Mr. busine tives n aton-E this v that L gather He a Trade image related held o who things unlim Mr. T agains organi premi year. Brie



## Ad Equates Licensing With Endorsement Of Insurer By The State

Mortgage Investment Foundation Inc. of Miami is advertising prominently a 7% mortgage investment program under which the principal and interest of the mortgages is guaranteed by United Bonding of Indianapolis. A brochure states: "We believe the responsibility and integrity of the United Bonding Co. is well established and beyond reproach and can be verified. They have submitted the record of their management to the close scrutiny of the insurance departments not only of Florida, but of 40 other states, all of whom have found United Bonding worthy of licensing as an insurance company to do business in their state. Within the next two years the company plans to be licensed in at least 48 states. Every act United does, every risk it undertakes, is subject to inspection and the criticism of every state in which it does business. It is the insurance company that guarantees you will not lose a cent of principal or interest when you invest with Mortgage Investment Foundation Inc."

## Chicagoans Roll Out The Carpet For Lloyd's Chief

(CONTINUED FROM PAGE 1)

Brokers Assn. Other guests were Mr. and Mrs. John S. Lord, Illinois attorney-in-fact; Mr. and Mrs. Herbert C. Brook, secretary Illinois Surplus Line Brokers Assn.; Mr. and Mrs. A. T. Persson, president Toplis & Harding; Mr. and Mrs. L. D. Lynch, partner of Mendes & Mount, U. S. counsel of Lloyd's, and Mr. and Mrs. Joseph S. Gerber, Illinois director of insurance.

Mr. Thomson gave a luncheon for business leaders and insurance executives numbering about 200 at the Sheraton-Blackstone Hotel, remarking that this was an unprecedented event in that Lloyd's was host to such a large gathering so far from home.

He explained that the exhibit at the Trade Fair was designed to create an image of Lloyd's that is more firmly related to the fact than the generally held opinion of the man on the street who associates Lloyd's with such things as actresses' legs. The theme is unlimited liability. In modern times, Mr. Thomson said, no legitimate claim against Lloyd's has gone unpaid. Its organization has grown to one with a premium income of £250 million a year.

Brief words of welcome were offered

the Lloyd's visitors at the luncheon by James Rutherford, vice-president at the Mid-America home office of Prudential and president of Chicago Assn. of Commerce & Industry, and by Director Gerber of Illinois.

## State Blocks Move To Buy National Fidelity Of S. C.


An offer to buy 75% of National Fidelity Ins. of Spartanburg, S. C., made by Bankers Life of Dallas, has been blocked by Commissioner Austin

of South Carolina, who said a petition would be filed by the department seeking liquidation of the casualty company.

Bankers Life's offer involved the exchange of a motel valued at \$400,000 for control of National Fidelity, which has been suspended from doing business in South Carolina and several other states. The motel was to have been deeded over to National Fidelity to strengthen its financial position, but the move would have been in violation of state laws.

An additional difficulty has been encountered in making up the 75% sought by Bankers. Stock held by Mayor A. D. Cudd Jr., president of the company has been committed and cannot be released for sale. Commissioner Austin said that there was no practical way to raise additional shares under the terms of the offer.

Two other companies, Cudd & Coan Underwriters and Title Insurance & Guaranty Co., of the Cudd group, would also be named in the receivership petition.



**SPECIALIZED  
INSURANCE  
PRINTING  
DOESN'T COST — IT PAYS**

**GUARANTEED TEXT**

Guarantee of all \*Bureau released policies printed by R & S offers a definite PLUS, at no extra cost, to fire and casualty companies —

- \*Complete freedom from company proof-reading
- Latitude in arrangement and sequence of declarations
- BULLETIN advisement of policy changes—we can make delivery of policies in time for required effective change dates.
- Actual printed samples of policies as suggested by R & S

ADD to these the most flexible policy design service—either standard, or custom created . . . for manual or machine processing, and you will find—"specialized insurance printing doesn't cost—it pays."

Consult with an R & S printing specialist — analysis of your forms will be made without obligation. Call, or write Dept. N

**INSURANCE  
PRINTING  
SPECIALISTS**



SINCE  
1911

## RECORDING & STATISTICAL CORPORATION

Executive Offices: 176 Broadway, New York 38, N. Y.

SALES OFFICES: Atlanta • Baltimore • Boston • Chicago • Dallas • Danville, Ill.  
W. Des Moines • Minneapolis • New York • Toronto • West Coast  
PRINTING PLANTS: Boston, Mass. • Danville, Ill. • Toronto, Canada

### Malpractice

You can depend upon our specialized experience in this highly technical field of liability coverage.

#### Competitive Rates For

Hospitals  
Sanitariums  
Nursing Homes  
Physicians & Surgeons  
Beauty Shops

**Wm. K. O'Connor & Co.**

53 West Jackson Blvd.  
Chicago 4, Ill.  
HArrison 7-1721



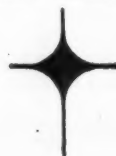
## YOU COULD RIDE SHOTGUN ON YOUR CUSTOMER'S TRUCK CARGO

And maybe you should! Thieves and hijackers set another new record last year. They hit shippers with a whopping \$365,000,000 in losses.

Watch the papers. "HIJACKERS SCOOP \$70,000 IN MERCHANDISE FROM STALLED TRUCK"; "STOLEN TRUCK FOUND MINUS 32,000 POUNDS OF MEAT." A daily story.

But now well-informed agents can offer their assureds modern, sensible protection. This includes (1) ingenious, new anti-theft devices, and (2) specially designed policies from National Union Insurance Companies.

National Union has the whole story. Send for it today. Build your customer's protection with this added insurance. Write to:



**National Union Insurance Companies**

Pittsburgh, Pa.

Bonds • Casualty • Fire • Inland Marine • Ocean Marine



**The**  
Publishers  
**The**  
**Co**  
**Cu**  
The  
several  
ment of  
casualt  
There  
margin  
princip  
and ho  
in the  
ing its  
The  
larly  
commis  
level v  
highly  
**Tran**  
**One**  
**Insu**  
Hold  
standin  
Corp.  
their s  
conver  
americ  
Financ  
ed bey  
July 3  
Aug. 2  
**Excha**  
Pacifi  
have r  
change  
commo  
ica pro  
vertibl  
the rat  
each \$  
stock.  
Tran  
will ha  
ing an  
busines  
offer a  
ices. A  
will br  
**Group**  
Tran  
Occide  
Transa  
Americ  
Americ  
net pro  
\$174,45  
are M  
Pacifi  
ums w  
end of  
billion  
Pacifi  
**Ping**  
Albe  
firmed  
succee  
gree h  
sioner  
the d  
White